

MAY 3 1926

# Sales Management

The Man in Charge of Sales and Advertising

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PAGE  
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636  
605  
599  
634  
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550  
Cover  
570  
609  
577  
635  
639  
600  
631  
eau...543  
548  
625  
578-579  
633  
597  
614  
582  
588  
617  
546  
606  
636  
595  
635  
601  
626  
541

Policies That Pulled an  
Automobile Company  
Out of the "Red"

*The Men on the Cover:*  
(Left) E. L. Cord, President  
(Right) Roy H. Faulkner, Vice-President  
The Auburn Automobile Company

A Dartnell  
Publication

MAY 1, 1926

TWENTY CENTS



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—years ago, business buildings and permanent catalogs were expected to look ugly. Today, modern structures and loose-leaf catalog binders have supplanted both.

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A loose-leaf catalog binder can be beautiful as well as strong, compact and easily operated. Heinn Loose-Leaf Catalog Binders are all these things—and they have beauty in addition.

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# Sales Management

Published Every-Other-Saturday for Those  
Marketing Through National Sales Organizations

VOLUME TEN

Established 1918 by The Dartnell Corporation

NUMBER NINE

## Contents for May 1, 1926

	PAGE
POLICIES THAT PULLED AN AUTOMOBILE COMPANY OUT OF THE "RED".....	655
<i>An Interview with E. L. Cord, President, Auburn Automobile Company</i>	
WHEN ONE OF MY MEN BEGINS TO FALTER.....	657
<i>By William F. Gray, Sales Manager, Equitable Bond &amp; Mortgage Company</i>	
HALF A MILLION IN SALES FROM ONE DISPLAY STAND IDEA.....	659
<i>By A. R. Hahn</i>	
WHAT WE LEARNED ABOUT CUSTOMERS WHO SUDDENLY STOPPED BUYING.....	661
<i>By William Ochse, President, San Antonio Drug Company</i>	
IS THE SALES TRAINING SCHOOL A FAD OR A NECESSITY?.....	663
<i>By Frederick A. Russell</i>	
REPORT SYSTEM PICTURES A MONTH'S WORK OF EACH SALESMAN.....	665
HOW TWENTY-SIX JOBBERS PAY THEIR SALESMEN.....	667
<i>By a Member of the Dartnell Editorial Staff</i>	
THE DANGERS OF BUSINESS SLOGANS.....	671
<i>By Sir Josiah Stamp</i>	
OVER-FED WASTE BASKETS AND UNDER-FED SALES LETTERS.....	673
<i>By E. J. Heimer, Secretary, Barrett-Cravens Company, Chicago</i>	
THE "YOU" ATTITUDE IN SELLING.....	677
<i>By John A. Stevenson, Vice President, Equitable Life Assurance Society</i>	
NEW PACKAGE WINS PLACE IN THE SUN FOR A NEGLECTED PRODUCT.....	683
<i>By John M. Garth</i>	
NEW RECOMMENDS C. O. D. PLAN FOR RETURN POSTCARDS.....	687
<i>By Uthai Vincent Wilcox</i>	
EIGHTY PER CENT OF THE PROFITS FROM TWENTY PER CENT OF SALES.....	689
<i>By S. C. Stokley</i>	
THESE GOVERNMENT REPORTS TOUCH ON SALES PROBLEMS.....	692
THE SNARE OF COMPETITIVE PRACTICES.....	702
BEING OVER-IMPRESSED WITH ONE'S BIGNESS.....	702
THE SHOE BUSINESS ISN'T DIFFERENT AFTER ALL.....	702
HELP TO CALL A HALT TO STORIES THAT MALIGN SALESMEN.....	702
TIPS FOR THE SALES MANAGER.....	711

*Edited by John Cameron Aspley*

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## Do Troy Dealers Co-operate?



If you want the co-operation of "Greater Troy" dealers, it is necessary to use Troy advertising.

"Greater Troy" merchants know that Albany newspapers do not circulate noticeably in "Greater Troy."

"Greater Troy" dealers are jealous of the prestige of "Greater Troy" as a market, knowing that "Greater Troy" is as separate and distinct from Albany as Buffalo is.

Do not pass up this metropolis of 118,000 people in your New York State campaigns.

"Greater Troy" can be covered only through The Troy Record, morning and evening.



## THE TROY RECORD

National Advertising  
Representatives:

CHAS. H. EDDY COMPANY  
NEW YORK: Park-Lexington Bldg.  
CHICAGO: Wrigley Bldg.  
BOSTON: Old South Bldg.



—Courtesy, The Pullman Co.

S. R. LATSHAW, vice president and advertising manager of the Butterick Company, publishers of *Good Housekeeping*, and previously assistant advertising director of the Curtis Publishing Company, has been elected president of Butterick, succeeding G. W. WILDER, resigned. Mr. Wilder will continue on the Butterick board of directors.

JOSEPH A. MOORE, who recently resigned after years spent as treasurer of publishing properties of William Randolph Hearst, has been made chairman of the board of the Butterick Company.

CHARLES A. TUCKER, general sales manager of the Peerless Motor Car Corporation, has been elected a director. CHARLES A. LARSON, one of its largest distributors, Larson, Cutting Company, New York City, has also been made a director.

G. GRENVILLE HUNTER, for six years an executive in various branches of the General Electric Company, has joined Winsten & Sullivan, Inc., New York City, as merchandising and general sales counselor.

ALFRED C. HOUSER, for the past three and a half years advertising manager of the Yellow Truck & Coach Manufacturing Company, has resigned. Mr. Houser has acquired a partnership in the North Shore Buick Co., Chicago.

W. A. SCOTT, of the sales force of the McKinney Manufacturing Company, Pittsburgh, has been given active part in the management of sales and production of the company's new line of forged iron hardware.

Announcement is made of the formation of the Irish and Scottish Linen Damask Guild, Inc., which will direct a cooperative advertising campaign for thirty of the leading Irish and Scottish manufacturers of linen damask table cloths and napkins. William J. Pugh, of the firm of McCrum, Watson and Mercer, is president of the Guild. Alfred T. Brown, formerly director of advertising for Ireland Brothers, will be director of advertising. Hommann, Tarcher & Cornell, Inc., New York advertising agency, has been appointed advertising counsel.

MAURICE R. HART, who has been with the Morse Chain Company for several years in the production department and the last two years in the sales department, has been made manager of the Buffalo district.

WARING SHERWOOD, formerly in charge of direct mail advertising for S. C. Toof & Company, Memphis, printers and lithographers, has been appointed general sales manager of the Memphis Linotype Printing Company. Mr. Sherwood was at one time advertising manager of Earl Motors Inc., Jackson, Michigan.

JOSEPH D. R. FREED, president of the Freed-Eisemann Radio Corporation, has accepted the presidency of the Radio Exhibition Corporation, formed by the radio industry for the purpose of conducting national radio expositions.

JOHN BUDD, prominent newspaper advertising representative, and head of The John Budd Company, New York, passed away in New York City on April 18.

Charles W. Hoyt Company, Inc., New York advertising agency, announces the election of ARTHUR E. HOBBS, managing director of the Springfield office, as vice president.

The American Newspaper Publishers' Association has elected as president JOHN STEWART BRYAN of the *Richmond, Va., News-Leader*, formerly vice president of the association. Mr. Bryan succeeds S. E. THOMASON of the *Chicago Tribune*. Other officers elected are: vice president, EDWARD H. BUTLER, of the *Buffalo Evening News*; secretary, GEORGE M. ROGERS, the *Cleveland Plain Dealer*; treasurer, HOWARD DAVIS of the *New York Herald Tribune*. Those directors whose terms expired and who were re-elected are: FRANK G. BELL, of the *Savannah (Ga.) News*; HARRY CHANDLER of the *Los Angeles Times*; PAUL PATTERSON of the *Baltimore Sun*; CHARLES H. TAYLOR of the *Boston Globe*; T. R. WILLIAMS, *Pittsburgh Chronicle-Telegraph*. Two new directors added are: JEROME D. BARNUM of the *Syracuse Post-Standard*, and F. W. BUSH of the *Athens (Ohio) Messenger*.



# Sales Management

A Dartnell  Publication

Volume Ten

Chicago, May 1, 1926

Number Nine

## Policies That Pulled an Automobile Company Out of the "Red"

Thirty-Two Year Old President of Auburn Automobile Company Tells How He Retrieved an Organization That Had Hit the Toboggan

An Interview by Eugene Whitmore with

**E. L. Cord**

President, Auburn Automobile Company, Auburn, Indiana

THE second day after I arrived in Auburn, I heard the efficiency man demanding an explanation from the sales manager, of a six-dollar telephone bill. He was giving the sales manager a veritable cross questioning to find out if, in his own mind, this long distance telephone call were justified.

"I said nothing, but made a mental note that such 'goings on' would be stopped, because I had just found that the company had a wholesale man who was drawing \$6,000 a year and spending about \$100 a week for expenses, without being questioned, yet he had signed only a few dealers in eighteen months. I couldn't see any consistency in tying the sales manager's hands, and quibbling over a six-dollar long distance telephone call which had sold a carload of automobiles, when another member of the sales department was spending about \$11,000 a year and getting few results."

This little incident, related to me by E. L. Cord, president of the Auburn Automobile Company, is a typical sidelight on how the company was being managed when he became vice president and general

manager in July, 1924. Although a trivial incident in itself, it was one of the straws which showed how the wind was blowing. The company had been losing money; dealers were apathetic and discouraged. There were nearly fifty dealers in Minnesota, some of whom had not sold a car in a year. The inventory was loaded down with material which was obsolete and unsaleable, yet was being carried at original cost prices; morale was low, manufacturing operations had been curtailed and everyone was simply marking time.

Mr. Cord found hundreds of automobile bodies which were more than a year old. There was a coach which was in demand, but there were so many sedan bodies and parts that the company had stopped making coaches hoping the shortage of coaches would force the sale of sedans. But the dealers could be forced in no such manner. The fall and winter season was coming on, dealers were afraid to buy anything because they had made no money in the spring season, and they could see no hope of making any money during the remainder of the year.

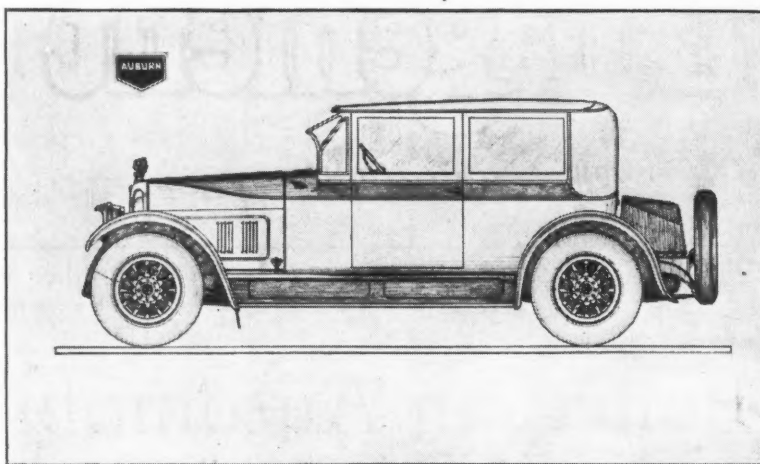
"The first thing we did was to

clean up the old stock," explained Mr. Cord. "We sold it at bargain prices. We cut prices on the old models, just as a department store cuts prices on out-of-date merchandise when it goes to the bargain basement.

"When I learned that our dealers could sell a few coaches, I ordered the production department to make up a lot of coaches, in spite of the fact that we had many sedans in stock. Then for every two coaches we sold, we worked off a sedan. In three months we had paid off the loans and had money in the bank.

"The next step was to start in rebuilding the dealer organization. We had exactly one dealer who could be depended upon to sell a regular volume of business. Many dealers were in debt; others had cars which had been shipped on consignment, and one dealer had actually borrowed \$20,000 in cash from the factory, even though he had sold very few cars during the previous year.

"No one had ever heard of an Auburn dealer who had made money. The public knew scarcely anything of Auburn automobiles. One day I sat down and drew a



**"BE DIFFERENT** if you can't be the biggest," says E. L. Cord, in outlining some of the policies he has put into action since becoming president of the Auburn Company. "There always will be a market for a product that is distinctive—that appeals to the man who wants something that isn't exactly like the products owned by all his neighbors."

This is the market Cord had in mind when he drew the picture shown above. How closely his ideas of design were carried out may be seen by comparing any Auburn car with this picture which Cord drew shortly after he took charge of the Auburn plant.

picture of the car I hoped to build. With this picture we started visiting dealers and telling them about the new models. We told them exactly what we hoped to do, and asked them to stick with us and give us a chance. All the cards were laid on the table. This proved to be a wise move because when other manufacturers approached these dealers with tales of what we were or were not going to do (rumors always fly thick and fast in the automobile industry) our dealers had a picture of our new model in their desks and knew just what our program was.

"We revamped our entire manufacturing program, cut costs, reduced overhead and unnecessary expense. For instance, we abolished about 300 office forms which had been installed by the efficiency experts so that our people could do some real productive work instead of wasting their time on red tape.

"Our purchasing methods were changed. One of the things we did was to go to the manufacturers and explain our program and sell them

on the idea of helping us bring out a car that would be a real value. I did more selling to the people from whom we bought than I did to the people to whom we sold. By the latter part of the year the new models were ready. I remember on New Year's eve in New York we were afraid to celebrate. We were as nervous as if our lives hung in the balance. Our friends had told us we had a car that would sell. We had driven one of the new models along Fifth Avenue and people had stopped to look at it; it created interest to be sure, but we knew it was the public, not the automobile experts, who would decide the fate of our car.

"After the first day of the New York show, we knew we had a car that would sell. As it turned out, 1925 was a wonderful year for the entire industry, particularly during the first six months. We did not 'kid' ourselves as sales began to mount past all previous records; we knew that part of our success was due to the big demand for all kinds of automobiles. As the

summer wore on, a price war started. Many companies reduced prices. Our dealers began to wonder what we were going to do. We decided not to let our dealers stampede us into a price cut, because we felt the car was worth every cent we were asking for it. We wanted to see if the car itself was really the reason for our unusual sales volume, or if our success was simply temporary, due to the unprecedented demand. So we did not cut prices. In spite of the drastic cuts by competitors, sales in August were better than any previous August; in September results were the same, and in October as well. Then we felt that we had made a sound beginning."

In this brief manner, E. L. Cord, the thirty-two-year-old president of the Auburn Automobile Company modestly describes his share of the work of rebuilding an automobile company which had gone along since 1900 without ever attracting much attention to itself; which had run down almost to the stopping point and which was not recognized by dealers all over the country.

#### He Grew Up With Motors

Mr. Cord has been connected with some phase of the transportation business all of his business career, and claims that any success that has come to him is due solely to his experience with the users of automobiles. He sold passenger cars in Los Angeles, numbering among his customers Mary Pickford, Fatty Arbuckle, Jack Pickford, and many other celebrities. He ran an automobile sales agency in Arizona, and a stage line and a motor truck line across the mountains. He sold trucks in Chicago, and from 1918 until 1924, he sold passenger cars in Chicago and Milwaukee.

His first experience in the automobile business came when he bought a used Ford in 1914 for \$75, rebuilt it, added a racing body, geared it up for high speed and sold it for \$675. This experiment was so successful he bought twenty Fords, put them through the same metamorphosis, and sold them for an average of \$500 clear profit on each car.

(Continued on page 693)





**W**E have a sales force of thirty-two men operating throughout Illinois and Kentucky. During the whole of last year our turnover was one man. And in spite of the fact that many concerns are frantically advertising big earnings and "exceptional opportunities" in the effort to recruit good men for their sales forces, we have actually been turning applicants away.

This healthy condition of the sales force we attribute to a number of different factors, but principally to the fact that we've taken so carefully into account the human equations that enter into the operation of a selling organization.

It is the habit of some sales managers to sit back contented with the performance of a salesman so long as he produces a fair volume of business, letting him drift along until he falls into a slump before taking any unusual interest in him. This seems to me to be altogether wrong as a management policy. Instead of investing money in efforts to pull men out of the ruts they fall into, I believe the major effort should go toward preventing them from

falling into so many slumps in the first place.

There are certain policies the house can develop into its relations with its sales representatives, certain helps they can supply them, which constantly will furnish the men with new ideas and new sales ammunition and engender in them new confidence. These policies and helps will go far toward keeping the salesman on his mettle and

toward preventing many of the serious and costly slumps in sales which are bound to show in the records of a man who is left to paddle his own canoe. Not only does this attitude of helpfulness on the part of the house prevent streaky production, but it builds a wonderful spirit of loyalty and team-work on the sales force, which is reflected throughout the entire organization in a sound working morale.

Let me say that I'm not an admirer of the "super" type of salesman, or the

men usually known as star performers—those brilliant fellows who sell largely because they have some extraordinary touch of natural ability in that direction.

Twenty years of contact with selling organizations has taught me that these men are far too overconfident to make good in the long run. They can sell and they know they can sell; therefore, most of them actually do not work anywhere nearly up to their capacity. They go along in the serene assurance that they still will be able to sell at the age of sixty, whereas the fellow of the steady type to whom selling is actually

## When One of My Men Begins to Falter

*By William F. Gray*

Sales Manager,  
Equitable Bond & Mortgage Company  
Chicago

hard work, will be more inclined to build up his clientele on a more permanent basis, struggling to get his feet on solid enough ground to protect himself and his family against the future.

The type of man I want on my sales force is the chap who is steady, healthy, clean and honest, and after I find and hire him, there is nothing so important to me as his personal welfare. If he is healthy, happy in his home life, out of debt, unharried by other personal worries, his production will take care of itself.

And that is the reason why our company will go to almost any length in standing by our men in any kind of personal difficulty. That is why we have tried to develop a feeling of friendship, a "family" feeling, if I may call it that without being accused of being sentimental, among the salesmen in our company. And the spirit this policy has developed among the men on our force is the best kind of insurance I know to keep a man from going stale.

I don't mean to say that our men don't slip into ruts now and then, but I do know that their relations with the house help them over many a bad place which might otherwise have been responsible for an arid streak in sales.

If one of our men is sick, the house sends him flowers, and he immediately gets a personal letter from one of the officers of the company. We are careful to see that he has the services of a good doctor, and, instead of urging him to get back as quickly as possible, we tell him to take a long enough rest to recover complete, and not worry about his work.

If a salesman needs money, the house will loan it to him—in any reasonable amount, and not once has a man failed to pay us back. If that man were to try to go on working with the burden of some unavoidable debt hanging over his head, the chances are forty to

one that he would suffer a serious slump in production due to worry.

If a man needs legal counsel, the house employs the best legal counsel available. The point I'm trying to make is that we feel every responsibility of our men to be, in a great measure, the responsibility of the house itself. And it is the consciousness of this support which has created the feeling of loyalty among our men which is reflected in the figures on the turnover sheet.

That contact with the house is to me one of the most important considerations in the handling of salesmen. It is easy enough for the Chicago city salesmen, who are in and about the office every day, to maintain a high morale, to keep working. They see the activity in the office, hear talk of the day's achievements, and have contacts with the executives.

But just visualize how different it is for the chap out in the small town—just he and his prospect. The home office seems thousands of miles away. If he doesn't have some contact to keep him on his toes, he is more than likely tempted to stop, many times, just short of achievement, thinking, "Oh well, what's the use?"

That's the reason our salesmen receive mail from the house every day in the week. Don't misunderstand me. This is not a perpetual barrage of "pep-up" letters, or an unending series of generalizations about conditions in the bond busi-

ness. Sometimes—often—it's a personal letter from one of the executives; sometimes it's a sales bulletin, sometimes instructions; now and then it's something in the character of an announcement. But whatever it is, when that mail comes in every morning, it serves to show the salesman the house hasn't for one minute lost sight of him as an integral part of the business.

When one of my men begins to falter—when he's gone a number of days without an order, we know it, of course, through the daily reports (which, by the way, are on favorable prospects and not on individual calls), and when he does close an order after a time like this, he immediately gets a personal letter which has in it a pat on the back. It has been my experience that a bit of encouragement just at this critical time will often tip off a streak of unusually high production—when a man will sell more in the week following a slump than he had ever sold in any previous month.

Sales conventions, when all the men can be together for a single day, should come at least every four months, I think. And between conventions it is the sales manager's job to maintain the kind of contact which will keep the men producing to the limit of their ability. I know of no way to do it except through the sales manager's going directly into the field to see his men. I spend one week out of every four in this manner. It is possible to see each man for only a short time, but just that brief visit, together with a call or two, perhaps on some prospective buyer, goes far toward keeping the men contented and productive.

It has been my experience that any serious slump on the part of a salesman is usually due to some personal difficulty—he and his wife may be unhappy together, one of his children may be sick, or he may be burdened with a debt.

(Continued on page 708)

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**H**ERE is one sales executive who believes that sales management is a man problem before it is a selling problem, and that the sooner you begin to treat men more like individuals rather than like so many animate machines, the sooner you'll develop a preventative against costly slumps in sales and sky-high turnover figures. The Equitable Bond & Mortgage Company has developed its relations with its salesmen on a man-to-man basis rather than merely as a contract between employer and employee. Not only does this policy help materially in preventing spasmodic dips in individual production, but it is responsible for a turnover record for 1925 of one man out of a sales force of thirty-two—and the house doesn't have to spend any money on "Salesmen wanted" advertising.

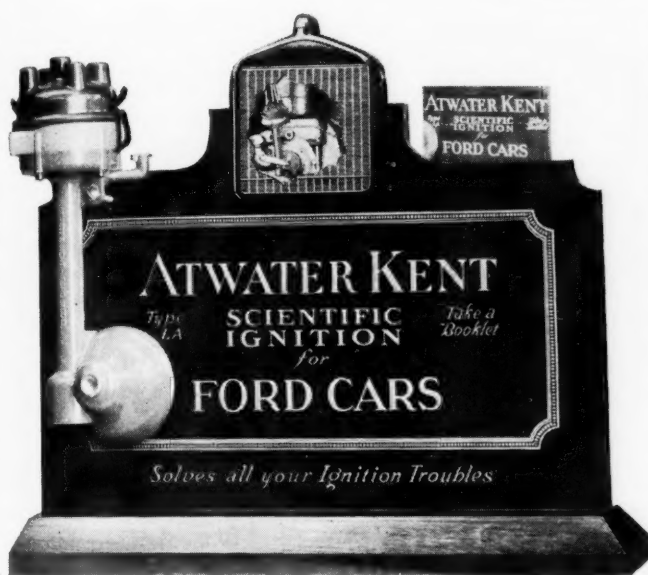
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# Half a Million in Sales From One Display Stand Idea

Experiences of Mirro Ware, Blackhawk Tools, Ray-O-Lite Batteries and Others, with Display Devices for Dealers

By A. R. Hahn



One display that is coming into favor with dealers is the small counter stand carrying a sample of the product.

UNTIL 1923 the Aluminum Goods Manufacturing Company, makers of Mirro ware, had never been able to work out a satisfactory plan for getting the dealers who handled their product to give it prominent, effective display space in their stores.

Because the dealers in many instances did not have the facilities to display Mirro, the stock was hidden under counters or piled away on shelves where it had little chance to create sales for itself. To meet this condition, the company evolved what they called the "Mirro Display Stand Deal." This stand (reproduced on page 660), was a four-deck metal device designed to hold a standard assortment of Mirro ware, and it was offered without cost to the dealer upon his purchase of a \$98 assortment of goods.

This deal was really a complete merchandising plan. In addition to the stand, the dealer who purchased the assortment was sent an

assortment of selling helps—

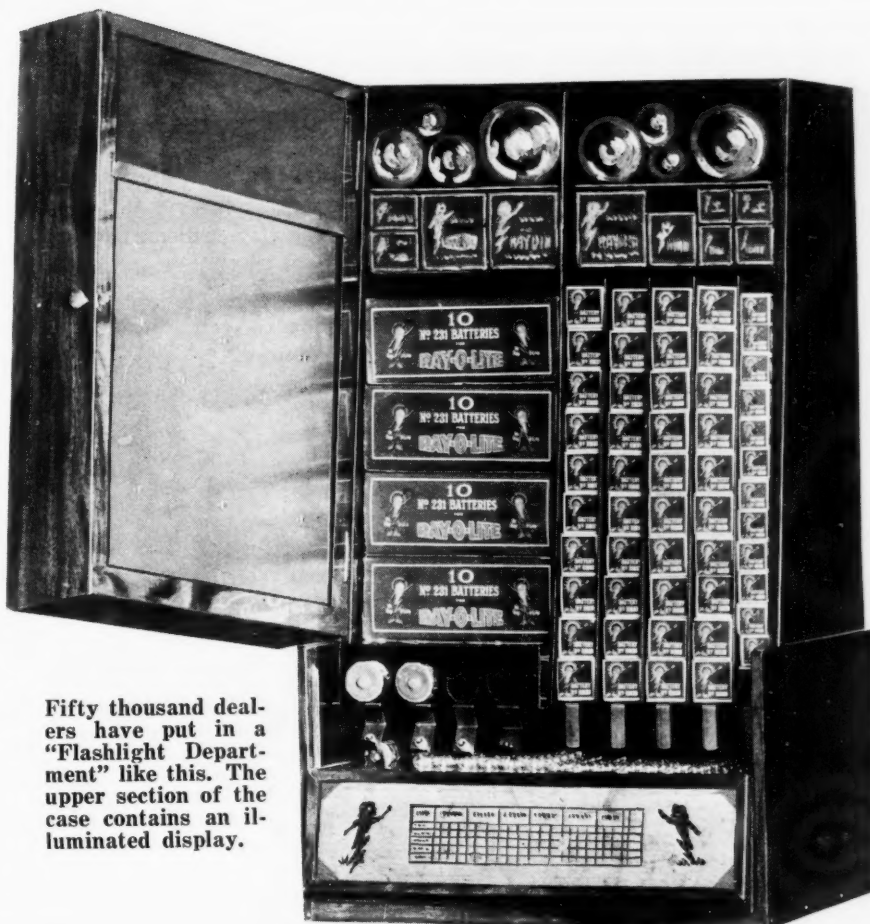
baking folders imprinted with his name, colored display cards, a permanent counter sign, and a newspaper advertisement.

Since this offer was made to dealers, 5,259 of the deals have been sold, which, in itself (not considering repeat business), amounts

to approximately half a million dollars.

In commenting on the plan the company says, "Of course, the big features of the deal represents the repeat business. By placing the merchandise on these stands in a prominent part of the store, the women can inspect and handle it and more sales are made. As items are sold from the stand the dealers are urged immediately to send in replacement orders to keep their stock complete.

"Many new accounts were secured primarily because of the stand and the deal. In fact, we made a special drive for new accounts both through our salesmen and by a direct mail campaign.



Fifty thousand dealers have put in a "Flashlight Department" like this. The upper section of the case contains an illuminated display.



The success of obtaining dealer cooperation and display space in retail stores seems to depend largely on whether or not the manufacturer has been able to work out some real merchandising ideas to offer with his assortment. This Mirro display idea brought half a million in sales.

"Inasmuch as the deal opened new accounts and increased turnover for old accounts, it is quite apparent that it helped us considerably in meeting competition. One advantage about the stands is the tremendous amount of good will they created for us. The plan appeared to be so unselfish on our part that dealers felt we really had their interests in mind as much as our own.

"Another angle worth mentioning is that, while we did not stipulate that the stands should be used for the exclusive display of Mirro ware, we find that dealers in most instances use it for this purpose only.

"During the period of depression, when there was so much agitation for quick turnovers, many dealers were buying in quantities so small that it materially ran up the cost of distribution and general overhead expense. By working on a \$98 unit there was a big saving in packing for us as well as in freight and express bills for the dealer."

One of the broadsides used by the company in selling this deal makes effective use of statements from dealers which show why this kind of a plan wins their favor.

Among the advantages reported by various dealers were: convenience in selling; sales increases running from 50 to 100 per cent; effectiveness of the plan in selling odd pieces of ware which dealers "thought customers wouldn't buy," and one dealer stated that the stand sold more aluminum ware than he could have sold through having an extra salesman. In selling the deal the company salesmen and the direct mail pieces from the home office constantly emphasized the support given the dealer through national advertising.

The deal was called a "deal" rather than an "assortment," the company points out, because "many manufacturers and jobbers had resorted

to assortments of cooking ware and other commodities, and many times these assortments were so arranged that the dealer was overstocked with certain slow moving items. This in general caused dealers to shun assortment propositions."

The experience of the Aluminum Goods Manufacturing Company suggests that dealers are ready to listen to almost any type of plan that has in it some really constructive merchandising ideas. And it shows that, carefully thought out, a plan can solve many different problems, both for the dealer and for the manufacturer.

Another type of problem which is being solved through the use of a dealer display plan is that of increasing attention for products which ordinarily resemble the position of "neglected stepchildren" so far as the dealer is concerned.

Take a line such as an automobile wrench, for instance. The Blackhawk Manufacturing Company of Milwaukee, Wisconsin, realized that a wrench wasn't an item which any dealer would ordinarily be made to feel enthusiastic about, even though the potential volume was large.

The company felt that if they could work out some merchandising plan for their dealers on this item and related items, they would be able to increase sales. A stock cabinet was designed to hold an assortment of wrenches complete enough to enable the dealer to fill

(Continued on page 704)





# What We Learned About Customers Who Suddenly Stop Buying

How We Place the Blame for Lost Business on the Individual Who Made the Error and Hold Him Responsible for Winning Back All Customers He Loses

*By William Ochse*

President, San Antonio Drug Company, San Antonio, Texas

**R**EALIZING that there was some definite fault of ours back of every customer we lost, barring those who went out of business, died, or moved out of our territory, we set out to devise some means whereby we could spot that fault and definitely place the responsibility. The simple plan we formulated resulted in reducing customer losses to a very negligible minimum and in elevating materially the efficiency of our entire force of employees.

The plan simply provides for the investigating of the reasons back of every lost customer, and then with the findings of that investigation, we spot the person or persons in our organization responsible for it. Although ours is a drug jobbing business, it seems to me that the method we employ is so simple that it could be applied to any average business that sells to regular customers.

## One Good Buyer Lost

Many incidents transpire that verify the value of the idea. For example, not long ago one of our salesmen called upon a retail druggist in a small town in southwest Texas, and to his surprise found the merchant slightly cool in his reception. Although he usually bought at least something whenever the salesman called, he said upon this occasion that he did not need a thing. He was neither hostile nor haughty; merely formal. He did not voice any disapproval of our service nor did he give our man sufficient grounds to ask if there was any trouble, even though the salesman felt something must be wrong.

When the salesman made that town the next time, the result was

the same. The merchant did not need anything, yet the salesman saw in the back of the store waiting to be opened a package of goods that did not come from our house. Although this customer had not paid up fully each month for two or three years, simply having sent us a check on account and ordered more goods about equal to his payment, he sent us a check for payment in full at the first of the following month. Then we knew for a fact that we had lost this customer and that an investigation was due.

## Regaining Lost Business

As soon as our sales manager had enough business to justify a trip through that druggist's territory, he dropped in on him for a friendly visit and frankly asked why we had lost his desirable patronage. The direct question rather surprised the merchant, and the sincerity of the sales manager won his confidence and respect. He forthwith opened up and told the whole story.

"As you know, Mr. —, I started buying from your house when I opened my new store four years ago. For a time I bought from you exclusively, except where I had to have a quick fill-in order you could not fill from stock. Your salesman called regularly and gave me a lot of help in merchandising," the druggist explained at length. "For a long time he seemed genuinely to appreciate my business; but then after a while it seemed that he got it into his head that I had to buy from him as a matter of course. He began to get in a hurry whenever I wanted him to help me with a display window; and when he happened to be rushed for time, he passed me up,

knowing that I would hold my order for him until he came around again, or would mail it in.

"In the meantime the man from (mentioning a competitive house) was calling here regularly. He is a friendly chap and anxious to serve whenever he can. Finally I gave him a small order, and it tickled him pink. The house handled my order with special care, it seemed.

"Then my little boy was hurt in an automobile accident and I had to pay some four hundred dollars for hospital service. That prevented my sending as large a check to your house as I customarily sent. Soon afterwards came a very formal letter from the credit department, suggesting that I bring the account up to normal as soon as convenient. There was nothing wrong with the letter, but it hit me just at the wrong time, I guess. And about that time an order I had placed with you came with some items short that I especially needed. That was the last straw."

## A Debit System for Losses

The sales manager assured the customer of our regret for these unfavorable incidents and thanked him for the information. The report plainly showed that three men were responsible for the loss of this customer—the salesman, the credit man who wrote the letter, and the shipping department head or the man who filled the order that arrived short.

Therefore we marked up against the three men responsible a one-third loss. Furthermore, we made each man personally responsible for rectifying the error he had made and getting back the customer. We work on the theory that

it is the individual and not the firm itself that makes an error or brings about the ill-will of a customer, and therefore those responsible for a lost customer make him see the situation in that light. Take the salesman, for instance: He calls upon the druggist and expresses his regret over the misunderstanding and impresses upon him that it is unfair to penalize the whole company for a fault of his.

He makes the lost customer realize that it is a personal matter, and as such it is only fair that he should give the salesman another chance to make good with him. The credit manager writes a letter, and sometimes calls in person, and approaches the customer in the same attitude; and so does the head of the shipping department. Wherever we trace the error that lost us a customer, the individual responsible for the loss is charged with the responsibility of getting back that customer, whether that individual is the sales manager, the credit manager, a shipping clerk or the president of the company; and in that way we make all errors and other faults that lose customers personal matters.

#### Customers Are Scored

We employ a simple system of scoring that shows just how each employee stands in the matter of lost customers. We figure out losses on a percentage basis. Consider, for example, that we have 1,500 customers and that during a year we lose 150 of these without natural cause: because of the faults of someone in our organization. That is 10 per cent. We then divide the percentage of these 150 customers (considering it as 100 per cent of losses) among those who are responsible for one or more customer losses. Suppose the credit manager has charged against him the loss of fifteen of these; that is 10 per cent. Every man in the organization who comes in contact with customers in any form is thus graded. Where more than one man is responsible for the loss of a patron, the unit is split between them, rather than counting a full unit against each man.

As may be presumed, we value our employees not only upon their

sales or other accomplishments of their regular jobs, but upon their customer loss percentages as well. We watch these percentage figures very closely, and when we note that a man is permitting his losses to run exceptionally high, a personal interview is forthcoming and proper steps taken to rectify the trouble. We have realized, through this method of grading employees, that sales and professional accomplishments alone do not necessarily make the most valuable employees. Holding a customer is more valuable than getting him, for good, regular customers are the type that produce our best and most desirable profit. It is but natural that we should exercise drastic steps to strengthen the ties that bind our regular patrons to us.

Not only has this plan reduced our customer losses, but it has

greatly improved the efficiency of employees in every department. It is surprising, sometimes, where the cause of losing a customer finally hits. Were it not for our thorough investigation of these cases we would never get to the bottom of some big losses. The system not only is a good thing for the company, but it is a service to the salesmen, credit men and others who have to take the brunt of abuse when customers are lost. Those who come in direct contact with the buyer are naturally blamed for losing him, whereas they may be entirely innocent of any offense. The cause may be snugly buried in the hands of some shipping clerk nobody would think to suspect.

Discredit where discredit is due works amply as well with us as giving credit where credit is due.

## Collective Demonstration Plan Introduced in Canada

UNDER a collective demonstration plan introduced in Toronto, Canada, a short time ago, manufacturers of food ingredients are charged a monthly fee for the privilege of having their goods demonstrated in a retail store. This new type of store is conducted by a concern known as Demonstrators Limited, which plans to install similar stores in Montreal, Ottawa and other principal cities in Canada.

The one manufacturer of each type of food ingredient who is accepted as a client by Demonstrators Limited pays the firm a fee to advertise and demonstrate his line. For example, in its newspaper advertising the store announces that demonstrators will hand guests a recipe card showing how layer cake is made. It mentions that the cake will be made from Monarch flour, Pure Gold baking powder, Pure Gold lemon extract, Lantic sugar, Po-Co eggs, Windsor salt, Domestic shortening and Klim.

The following week a new menu is made up, which may include the

products of several of the same manufacturers or those of different manufacturers. The store itself is divided into two departments, the demonstration department and the retail department. A dietitian has charge of the demonstration department, where various foods made of the advertised ingredients may be sampled. In the retail department the public may purchase the ingredients used in the samples. It is estimated that one person out of every five who watches the demonstration makes a purchase.

In addition to the food products, such other articles as stoves, silver plate and even office furniture are advertised by means of placards on the walls and booklets. More than 7,000 people visited the novel store during the first month that it was open. A turnstile outside the door records the number of visitors, enabling Demonstrators Limited to submit to their clients a mechanically-checked count of the number of people who have attended their demonstrations.



# Is the Sales Training School a Fad or a Necessity?

A Discussion of the Advantages of Modern Training Courses as Compared with the Old Catch-as-Catch-Can Sales Training Methods

*By Frederick A. Russell*

College of Commerce and Business Administration, University of Illinois

**T**HE training course for salesmen—is it a passing fad?

In advertising and sales management we have seen many new ideas arise, hold sway for a time, and shortly surrender to still newer ideas. Will the training course for salesmen pass through the same process and soon be forgotten?

To answer this inquiry, which is of interest to every sales manager, it is necessary to dig down to the bedrock of the principles or factors which have brought the training course into existence and seek to discover whether they themselves are permanent or temporary in character.

Although many concerns now have training courses for their salesmen, it is only within the last decade or two that the movement has been widespread. President Patterson of the National Cash Register Company is generally credited with starting the idea in the early 'nineties, but few concerns followed his lead until ten or fifteen years ago. What factors seem to be present when we find a training course apparently successful?

## The Large Sales Force

In the first place, it is usually more needed in a large sales organization than in a small one. Training of some kind there has always been, but in the small organization it has been informal, the passing on of suggestions from the proprietor to his employees. In the training of salesmen we find the same tendencies as in the training of factory employees. Under the old handicraft system the apprentice learned from the master by working alongside him and receiving

personal, informal instructions from him. Now the proprietor of a factory does not work in the shop and is unknown except by reputation to most of his workers. Personnel departments have been developed to care for the workers' training in the shop.

So in the sales department. While sales forces were small, covering a limited territory near headquarters, the boss could know each man personally and work with him frequently to help him become a better salesman. Such a condition prevails in most retail stores of smaller size today. If the proprietor is alert and a good teacher, his salesmen may become very expert.

## How Training Developed

But as sales forces grew and the individual salesmen found themselves working at long distances from headquarters, they lost this personal contact with the boss, and the boss in turn found that his salesmen were not representing the house and its proposition in the ways he wanted them to. They made mistakes in statements, in promises, and in methods of selling. They failed to make many sales which he could have made himself; they alienated good will by tactless selling tactics; they got discouraged and quit and he had to hire others to take their places. All in all, it was more than he could handle to maintain with all these men the helpful relations he had held with the few who constituted the sales force in the early days.

In other words, large scale manufacturing, which makes necessary large scale selling, is one of the chief factors that has called into being these training courses for

salesmen. And it is in those concerns having fairly large sales organizations that the training course seems to have enjoyed its greatest success.

By this it need not be understood that the salesmen must number into the hundreds or thousands before a training course will be worth installing. Wherever the men are not in close and constant touch with their manager, formal training must supplant the old informal kind which is no longer possible.

Another factor which has stimulated the growth of training courses is the increase in the number of specialties put on the market.

In pioneer days, when the utmost exertion and frugality sufficed to provide only the bare necessities of life, there was no surplus left to spend for other than staple products. If there was no market for them, specialties could not be sold in any quantity and were therefore not manufactured. It was only with the increase in this surplus available for expenditure that the specialty manufacturer found a market for his product.

## Money for Luxuries

We can eat only a limited amount, can protect our bodies from the weather with a reasonable outlay, and satisfy the other elemental demands with only a portion of our present income. The remainder becomes available for investment in new commodities. So the specialty manufacturer turns out his new product and tries to put it on the market.

But does it find a ready sale? It does not.



People are so constituted that they resent change; they prefer the old way; they require education before they will adopt anything new. In the words of the modern merchandiser, demand must be created.

Here is where the trained salesman comes in. Unless he is especially trained in the methods of presenting this new product, his efforts are futile; people will not buy. Hence the specialty salesman has been prepared by a training course from the days when the cash register first broke into the market until the present invasion of the electric refrigerator.

### **The Specialty and Retail Selling**

When demand is present, selling is easy and no special training is needed, but when sales resistance is great none but the trained salesman can break it down. The staple salesman, selling over and over on the same trade, taking orders for the same items each trip, sells because the demand already exists and the dealer is going to buy the goods of someone. If his price is right and other matters satisfactory, the salesman can sell this man without much special training.

But even into this field has crept the branded staple, a cross between the staple and the specialty. It may be packaged, advertised, differentiated in some way from the bulk product. When this occurs, and it is happening with increasing frequency, the need for especially trained salesmen arises. The dealer must be shown how this product is different, more profitable, more desirable to handle for some reason than is the bulk product. This opens up another large field for training courses.

This development of the specialty and the branded staple has affected the problem of selling at retail. The retail clerk today is called upon to sell such a variety of products, each with its own peculiar talking points, that he must be trained to do it. This training is being carried on for the most part by manufacturers, although some of the larger retail stores are conducting their own classes.

Still a third factor in stimulating the growth of these training

courses for salesmen is the complexity of many products. This applies not only to the complexity of the product itself but to the complexity of its uses. A comparatively simple product may have a multitude of uses, and it is the salesman's task to know them all and be able to discuss them.

Blasting powder is not very complicated in its composition, but it has scores of uses, and the salesman must know just how it can be used for each purpose.

As invention progresses we naturally perform more of our work by machinery, and this machinery is complicated and has to be explained to the buyer. Not only does this hold true in the sale of machinery like automobiles or conveying equipment, but it also applies to the sale of machine made products. The process of manufacture must often be gone over with the purchaser, who wishes to know why this product is better than some competing article.

### **The Service Factor**

A fourth factor which has helped the popularity of training courses is the increasing emphasis which is being laid on service in selling. The salesman is expected, more than he was years ago, to render service to his customer in various ways. To do this intelligently he must understand his customer's business, and this knowledge can best be obtained in a training course. It is too much to expect him to have had experience in various lines of business, so the fundamental principles and problems of these different businesses can be given him in a training course so that he is equipped to discuss them helpfully with his prospective buyers. As an expert adviser and counsellor the salesman must have learned how to advise and counsel.

This obligation on the part of the salesman to advise the buyer extends also to the salesman behind the counter of the retail store. The average customer buys too many things to become well acquainted with anywhere near all of them. The retail salesperson is able to learn considerable about the goods he is selling and can educate the customer on what the latter ought to buy.

Another reason why the retail salesperson ought to act as expert adviser to the customer is the fact that most commodities sold at retail are produced long distances from the place of sale, and under conditions absolutely unknown to the purchaser. When the shoes were made by the local cobbler the purchaser could know something of the materials and workmanship that went into them, but now he must depend in large measure upon the salesman to inform him of these things.

Yet another important consideration is the fact that many salesmen today are called upon to make out and send in reports of various kinds. These reports are often complicated and require a considerable knowledge of many things before they can be filled out accurately.

There is now, as there always has been, a difference of opinion as to the advisability of having salesmen act as gatherers of facts concerning their territories. The two outstanding arguments against having them do so is that they are biased and use the report as an alibi to explain their sales record, or that the salesmen do not know how to observe and record the facts sought by the management.

### **Greater Development Probable**

It is natural that these two difficulties should arise. If a salesman has had a poor month he cannot be blamed for turning in a report on conditions in that territory which would help explain his poor showing.

Neither is it to be wondered at that most salesmen are poor observers. One large manufacturer recently asked his salesmen for certain facts from their territories, expecting that these would be very helpful. The response was meagre and almost worthless, because the salesmen had never been taught how to observe and report. A part of many training courses is the instruction covering this phase of the salesman's work, and where he has been properly trained to do it, the salesman has many times proved himself of great value as a

*(Continued on page 707)*



the prospect called at the sales room; D indicates that a demonstration was given; L indicates that a letter was written.

"In this way a complete record of every contact, even to telephone calls, is kept on every prospect. These records are valuable in many ways; for instance, if a prospect comes into the salesroom while the salesman who has been calling on him is out, a glance at the record will show the sales manager or the salesman who serves him just how much progress has been made towards closing the sale.

"These salesmen's report sheets are turned in to the sales manager

at the end of each month and the items in the upper right-hand corner are filled in. The permanent 'prospect' card file is checked over and the 'prospect' cards that are marked 'bought,' 'sold' or 'cancelled' are removed from the permanent file, thereby keeping that file clean and up-to-date. Any 'prospects' who have been neglected or not properly reported on by one salesman are turned over to another salesman and the 'live prospects' are transferred to new sheets at the beginning of each month.

"This record has many advantages—it keeps the prospects before the salesman at all times, showing just what progress has

been made on them. It is a permanent and accessible record of appraisals made on used cars; it gives us a record as to the source of our prospects; it requires less time to keep up than any other system we have used and it gives the salesman an opportunity to outline in a very few minutes his work for the entire day. During the first month it was in use here it greatly increased the efficiency of each salesman.

"If a salesman has a prospect entered on his sheet and recorded in the permanent prospect file, he receives protection on that prospect for a period of thirty days, providing his sheet shows active work."

## Mr. Cord and Mr. Faulkner of Auburn

**A**T YOUR left on the cover photograph this week is E. L. Cord, president of the Auburn Automobile Company, of Auburn, Indiana. Standing next to Mr. Cord is Roy L. Faulkner, vice-president of the company.

Both these men are striking examples of successful corporation officers who have come up from the sales department. Mr. Cord's career is outlined in the leading article of this issue. In speaking of Mr. Faulkner he said, "When I came to Auburn I found Mr. Faulkner making a desperate attempt to keep up sales and courage in spite of severe handicaps. What I did was to tell him to go ahead. He made things hum, and for month after month spent almost as much time on the road as in his office. He has been largely responsible for rebuilding our dealer organization and putting fighting morale into Auburn salesmen all over the country. When he holds a sales meeting the salesmen are ready to go out and sell Auburns."

After Mr. Cord was made president of the company Mr. Faulkner was placed in charge of sales and made vice-president.



# How Twenty-Six Jobbers Pay Their Salesmen

Jobbers Assert That Volume Must Be Sacrificed for Profit and Experiment With Various Plans for Compensating Salesmen

*By a Member of the Dartnell Editorial Staff*

**I**N THE past few years there has been a marked change in the compensation methods employed by wholesalers. Because these compensation methods have a vital effect on the sales of all manufactured lines which are sold through jobbers, every manufacturer should study these plans carefully.

From a study of the compensation methods employed by twenty-six jobbers, it is possible to divide the plans into three rather general classifications, as follows:

## Three General Plans

(1) Those who pay commission on a graduated scale, commissions varying, dependent upon the size of the discount allowed the jobber by the manufacturer.

(2) Those who pay commission or bonus on the products of preferred manufacturers, usually manufacturers who distribute through a limited number of selected jobbers.

(3) Those whose compensation plan is a combination of both the others, or who still stick to the old salary plan, with occasional bonuses on certain profitable lines.

Jobbers and manufacturers often seem to be at odds as to which lines pay a profit to the jobber.

The manufacturer of staple lines which are sold on a close margin claims the rate of turnover on staples is so rapid that the jobber makes more profit on the slower turning specialties which carry a higher discount. A favorite commodity for such discussions is white lead. The manufacturer will point out that the jobber can buy a carload of white lead and sell it all

in a month, thus turning his investment twelve times a year.

For the purpose of illustration only, suppose that the jobber has a margin of \$50 for every \$1,000 invested in white lead. If he turns \$1,000 twelve times a year his gross margin would be \$600, which in a year would be 60 per cent on the original investment.

Compared with a specialty on which the gross margin was 20 per cent, and which turned but twice a year, the gross margin is \$400, or \$200 less than the gross margin on the widely discussed investment in white lead.

Some manufacturers claim the investment in white lead will earn the greatest profit, whereas the jobbers claim it costs them much more than this to do business. Therefore, according to the way they figure, they have lost money on the investment in white lead.

## Compensation Based on Profits

In a widespread attempt to cut down the sale of unprofitable lines, many wholesalers have adopted rather complicated compensation plans, in the hope that salesmen will be encouraged to sell only the most profitable lines.

A good example of this method is the plan employed by the Langley & Michaels Company, of San Francisco, who have seven general classes of merchandise, which are in turn divided into twenty-four secondary classifications. Commissions varying from 1 per cent to 3 per cent are paid on various classes of merchandise. In two classifications a definite budget is fixed and payment of the commission is made only on sales in excess of this budget or quota. A penalty on other classifications is assessed the salesman whose sales fall below the budget.

Fuller-Morrisson Company, of Chicago, classify their merchandise into five groups, according to the margin of profit on each group. They are as follows:

(a)—25 per cent margin or better—salesman's commission, 5 per cent.

(b)—20 to 25 per cent—3 per cent.

(c)—15 to 20 per cent—2 per cent.

(d)—10 to 15 per cent—1 per cent.

(e)—Either less than 10 per cent or some items that, due to the fact that they had to be picked up or, for some other reason, involve an extra service charge, are considered as no-profit items—no commission paid.

## Plans for Grouping Items

The Alfred Vogeler Drug Company, Cincinnati, has a list of eighteen manufacturers on whose products they pay a special commission to their salesmen. Sales of all of the merchandise of these eighteen manufacturers are controlled by the company in its territory. The commissions range from 2 per cent to 5 per cent, and are paid over and above the salesman's salary and expenses.

The Des Moines Drug Company, of Des Moines, Iowa, has thirty-five classifications of merchandise, which are in turn condensed into twelve groups. Commission is paid on the different groups of products, and the commission varies from 2 per cent to 6½ per cent, depending on the geography and population of the territory, as well as the margin on the various classes of merchandise. City sales are handled in the same manner, except that the rates of commissions on different groups are lower to city salesmen than to country salesmen.

Several of the twenty-six jobbers whose plans were studied pay smaller commissions to city salesmen than to salesmen working provincial territories. The Texas

Drug Company, of Dallas, Texas, pays commission in proportion to the gross profit on the following basis:

- 15 per cent items—2 per cent.
- 18 per cent items—3 per cent.
- 20-25 per cent items—5 per cent.
- 25 per cent and over—10 per cent.

City salesmen are paid on the same basis, except that the commissions are reduced to 1½, 2, 3 and 8 per cent.

The Duff Drug Company, Chattanooga, Tennessee, has divided its lines into thirteen departments, which include some of the lines they control. Country salesmen are paid 25 per cent of the gross profits, and city salesmen work on a straight salary, with commissions on certain selected lines.

Several jobbers who still stick to the salary plan modify the straight salary with special commissions on lines of certain manufacturers who give exclusive rights to one jobber in a territory.

#### Sliding Commission System

The Gibson-Snow Company, Albany, New York, pay their salesmen on a sliding commission scale, based on the profits made on individual items or lines. Before the special compensation becomes effective, the salesman must make his quota which has been assigned to him. A special compensation which becomes effective after the salesman's quota has been made varies from 1 to 5 per cent, depending on the profits derived from the various classifications of merchandise, and upon the advertising and merchandising co-operation furnished by the manufacturer.

A number of jobbers have gone even so far as to have special order blanks printed with separate columns for each classification of merchandise, so that the salesman can see as he writes up the order just what commission schedule applies to each item of merchandise he sells.

Some jobbers do not pay their salesmen any commission whatever on certain staple lines. All of the jobbers who reported on various commission plans invariably pay their salesmen the highest rate of commission on

merchandise from the jobber's own laboratories.

It is easily seen from this information that the manufacturer whose line does not carry a satisfactory margin to jobbers stands little chance of obtaining any special work on the part of the jobbers' salesmen.

These jobbers claim margins are too low on a large percentage of the goods they sell, and for that reason they are devoting practically all of their sales energy to the most profitable items in the line.

The problem of distributing staple merchandise which carries a short discount is becoming more acute as more jobbers install the sliding scale of commissions to encourage salesmen to neglect the staple items and push the items carrying the largest discounts.

The manufacturer of staples whose discounts are low must content himself with using the jobbers simply as a warehouse, and a convenient method of collecting accounts, unless he can convince the jobber that the rapid turnover in his merchandise warrants the low discount which he gives to jobbers. Judging from the number of jobbers who are penalizing their salesmen for selling low discount items, very few manufacturers have been able to convince the jobbers of the necessity or need for selling these staples.

#### The Short Profit Item

What is known as the selective service plan seems to be gaining ground, at least, in the drug field, because many jobbers are merely pushing the lines of manufacturers who use this selective service plan of distribution, which is, of course, an exclusive agency proposition.

A number of manufacturers who have used it state that jobber co-operation is all that they could desire in nearly every instance where they have given exclusive agencies to the most important jobbers. Many of the lines which are sold in this way allow a good margin of profit, are widely advertised, and turn rapidly. The manufacturer whose lines must be stocked by the jobbers, but are not

pushed by jobbers' salesmen because of this sliding scale of commissions which has been so widely adopted, are the ones who are complaining of lack of jobber cooperation.

Many lines carried by jobbers are looked upon as necessities, and go a long way towards building a satisfactory volume, even though the jobbers claim they are unprofitable. Whether or not a jobber could stay in business after discontinuing these so-called unprofitable lines remains to be seen, although some experiments have been made by certain jobbers in eliminating unprofitable items. But the fact remains that someone must distribute them, and it seems that the manufacturer must add attractiveness, or increase the saleability of these lines, if he is to continue to distribute through jobbing channels.

#### Greater Understanding Needed

Many manufacturers claim the jobbers are "kidding" themselves in devoting so much attention to the lines they think are most profitable. They assert that jobbers do not know where the profits come from, that the profits from the preferred lines are theoretical rather than real, and that unless the jobber maintains his volume on the so-called unprofitable lines he will find that overhead and fixed charges will soon devour all his profits.

The greatest need seems to be for a better understanding between manufacturers and jobbers—for a mutual understanding of each other's problems rather than all this constant bickering over margins. Out of the many experiments with compensation plans which are now being made, this understanding will doubtless come—but until it does the manufacturer whose proposition looks best on paper will receive the greatest cooperation.

"I must say that you are turning out some very good ideas in your publication 'Sales Management,' and I always look forward to reading it from cover to cover."—George V. Brook, Salesmanship Ltd., London, England.



# Dangers of Business Slogans

## A Discussion of Some of the Economic Aspects of Such Campaigns as the Present "Buy British Goods"

*By Sir Josiah Stamp*

**I**N the extended campaign under the slogan "Buy British Goods" there are several distinct implications: (a) Sometimes it is urged because the goods are better quality in the long run at the same price. This is a plea for wiser buying—"Don't be misled by mere cheapness—the British goods are actually better in the long run and should be given a chance to prove themselves." (b) Sometimes it is said that small immediate advantages should be waived in favor of the development of the permanent advantages of the Imperial scheme, and "Buy British Goods" becomes part of the larger policy of buying Empire goods. (c) At other times it is because the home industry is not prosperous and needs support; still again (d) the case is urged "because it will increase employment in this country."

### Profit vs. Counter-Effect

The following observations are directed, not to a special instance of the general case for wiser buying under (a) and not to any special "sacrifices" which are worth while for Empire building under (b), but to (c) and (d) where the suggestion is that we should be prepared to pay more for an identical article for the industrial reasons given.

It is so obviously advantageous and profitable at the point where it is applied that, as a form of advertisement for the advantage of the particular industry, it is as commendable as most forms of winning favor. But to most people it goes without saying that the slogan will be equally profitable to the nation as a whole, after taking into account any more remote and less obvious, though equally real, effects.

Reprinted by courtesy of Barron's, the National Financial Weekly.

Most of us are content to secure any advantage we can see under our eyes, and "take a chance" on the unseen counter-effects, however cogently reasoned. We rarely find a discussion of the effect of all these local advantages, with subtraction for any counter-effects, brought to a national net total of advantage.

Yet there must clearly be a set of conditions for a nation for which the policy would give a maximum net advantage and another set for which the total advantage would be at a minimum. It would be interesting if by analysis we could determine the two sets of conditions and then discover to which the actual present conditions of this country approximate. We might then pitch our hopes, without risk of disillusionment or pessimism, to the most likely point in our estimate of the outlook.

Let us suppose that a nation A is producing 10,000 units (of goods and services) where its skilled labor and specialized fixed capital are evenly and fully employed. Its buying power is equally for 10,000 units if production is properly balanced with human requirements.

### What an Analysis Reveals

Say that 6,000 units are bought or consumed by its own people and 4,000 are sent abroad in exchange for 4,000 units of products from abroad preferred (by the individual idiosyncrasies of its inhabitants) to the home production. Foreign trade production is 40 per cent of the total. The average producer spends 40 per cent of his income on imported goods.

Now let a great disturbance take place, which upsets foreign production and demand. First it may be that the foreigner is poor and cannot send 4,000 units with which to buy 4,000 from our nation A. If

A goes on producing 10,000, it is producing more units of particular kinds than its individuals have wanted to consume in the past, and they fail to exchange amongst themselves the 4,000 previously exported.

The probability is that they will now exchange and consume themselves that part of the 4,000 which are most similar to the imports no longer coming in—say, 2,000 units. The remaining 2,000 units of most specialized production are a drug on the market, and there are plants shut down and unemployment, and purchasing power is also quickly reduced to 8,000 units. "Buy A's Goods" as a slogan in A would have no application in the absence of imports. This is the nature of the trouble that may come upon a prosperous but highly specialized country, when any of its regular customers become impoverished and can no longer send imports.

### When Trade is Unbalanced

As the next case, let us suppose that the catastrophe affects A's industries evenly, and that the total production is 7,000 units, of which 4,200 (or still 60 per cent) are home consumed and 2,800 (or 40 per cent) are sent abroad to pay for 2,800 units imported. The policy "Buy A's Goods" may restrict the imports, say, to 2,000 units, and then 800 of the hitherto exported units would have to be home consumed. (Normally, as foreign trade is mostly a mutual advantage in value, there is something rather less in total value to the consumer by this process.)

The operation confines trade within the borders of separate countries to a greater extent and makes foreign trade a less percentage of total trade than it was, but it normally does not increase the total production of either



country, or all taken together, and may often decrease the total. For "that every import bears an invisible order for an export tied round its neck" seems to me as undubitably true as that the foreign exchanges make a deadly equation in the long run.

Cannot then A continue to export the full 2,800 units while diminishing her imports to 2,000? Only if, in the process, A has increased her savings and power to make foreign investments pro tanto. Whenever production is depressed, the power to save suffers and a recovery may certainly restore it. But if the depression is great, increased consumption, rather than saving, is the first toll on improved production. That exports must be forced to remain at the original figure to provide an outlet for increased foreign investments is, therefore, unlikely.

#### When Slogans Won't Work

Redirection of trade is more likely, therefore, to come from the slogan in this case than an increase in the total. But may not redirection be very valuable in itself? Suppose that A's depression to 7,000 units is not evenly spread, but that the export trades are fully occupied, and still making 4,000 units, while the other trades are reduced from 6,000 units to 3,000—nay, suppose rather that the export trades are working at great pressure with overtime, and are producing 4,500 units, while home trades are producing only 2,500 units. The latter must have unemployment, short time and industrial disaster. Imported units reach 4,500. Nothing could be more advantageous for the country as a whole than a campaign which will "redirect" trade.

"Buy A's Goods" might mean that imports could be cut down to 3,000 units, and export trades to 3,000 units, while the home trades would be stimulated to 4,000—a redistribution of good and evil fortune. For if one set of trades are relatively much worse off than others it would be a national boon to decrease the proportion of foreign trade to total trade. But in the converse case, if the home

trades are relatively much more active than export trades, and unemployment and losses are much more prevalent in the latter, then any redirection of trade to employ skill and fixed capital more evenly and profitably ought really to stimulate imports, and through them stimulate exports. Instead of that, "Buy A's Goods" would make the situation worse.

These illustrations are crude because they isolate certain factors for consideration. But these factors are dominant ones, and therefore the illustrations are not really inexact. They are intended to show that the slogan "Buy A's Goods" mainly acts as a redirection impetus, and only, if at all, to a secondary extent as an increased production impetus; and also that this redirection is certainly justifiable if export trade is relatively the more depressed. If A's export trade includes shipping services, these are doubly hit by diminishing both imports and exports.

So far as Great Britain is concerned at the present time, there seems little doubt that the export trades are relatively the more depressed, and, if so, "redirection" is rather more harmful than otherwise on balance, as it tends to reduce the magnitude of foreign trade.

#### Export Trade vs. Import Trade

This consideration is qualified, of course, by two possibilities:

(1) That the proportion of fixed capital and skill devoted in the past to export trades is relatively too high—"unnaturally" great, and that a healthier and more stable economic life could be attained by reducing that proportion, and having fewer exports and imports. It might then conceivably be a wise move to keep the export trades relatively depressed, starve them of new capital and skill so that by encouraging growth at one point and discouraging it at others, a new permanent proportion can be established in the course of time. This is a conceivable hypothesis, even if it involved—as it certainly would—a rather lower average standard of life. "A simpler life but a surer one" we might say.

But has this conclusion as to an excessive foreign trade ever been reasoned out and solemnly endorsed as a policy? If so, where?

(2) That redirection also actually normally increases total production.

I can postulate certain hypothetical circumstances in which such increased production would result (e. g., where the export and import industries respectively have the appropriate differences in their marginal costs), but I find it more difficult to establish that those conditions exist at the present moment in practice, as distinct from theory, still less to be sure that such advantages will outweigh the disadvantages of redirection.

#### Factors That Affect Results

The slogan sounds so sensible and so patriotic that one would fain join in it whole-heartedly if possible. What is wanted, therefore, at the present moment, is someone with reasoned conviction, who will go beyond the first step that is quite obvious to all, deal with totalities and demonstrate logically the total economic national effect at the present time if the campaign is generally successful, and if identical goods are widely bought at higher prices merely because they are home-produced.

Such an exposition should make a special feature of the quantitative relation between exports and imports and the inexorable daily equation of the foreign exchanges. The exposition may take one of the conventional forms of proof, e. g., that X units of new purchasing power will employ home producer B for an additional hour a day; that B will expend the power when he has thus earned it, in purchasing units Y; that these units Y are those that are no longer exported because of the required restriction of imports, and that therefore there is not merely redirection, but that new units of employment are created.

If the exposition is on such lines, it should show the genesis of the new purchasing power, and why it cannot be generated in any circumstances.

# Over-Fed Waste Paper Baskets and Under-Fed Sales Letters

A Chicago Sales Executive Analyzes All the Form Letters Received in One Week and Tells Why So Few of Them Had a Chance to Succeed

By E. J. Heimer

Secretary, Barrett-Cravens Company, Chicago

THE writer started to save all form letters coming to his desk over a period of thirty days—feeling that possibly during that period sufficient letters would be received to enable a digest that would be representative of form letters received in general. Within three and a half days' time—from Thursday morning to Saturday noon to be exact—no less than forty-three letters were received. This in itself was surprising in that it represents more than ten form letters being received daily—a number greatly in excess of the number one would estimate in a random guess. It does, however, emphasize the advisability of making your letters unusually good in order to obtain the interest your product requires and your efforts desire.

## Black Ink Still Popular

Let's treat each phase of the digest separately, with a passing remark or two. First, the length of the letters was taken into consideration. Analysis revealed:

One page letters.....	39
Two page letters.....	2
Four page letters.....	2
	—
	43

As you can see, the one page letters have it by a wide majority. Only two concerns used the illustrated four page letterheads.

Next in importance is the method of processing the letters. As is to be expected, the multigraphed letters led the field by a wide margin.

Multigraphed letters.....	38
Printed .....	4
Hand typed .....	1
	—
	43

Now, then, what colors were used in the processing? Again the expected results—black was the most commonly used. The blue and the green letters appeared out of place—while it is quite true that they stood out from the black process letters, they seemed to lack the dignity and importance that all of us wish attached to our direct-by-mail advertising. That's why we say black was ahead, and rightfully so.

Black .....	38
Blue .....	3
Green .....	2
	—
	43

## Those Feminine Signatures

A close inspection of the filled-in salutations was a pleasing surprise—twenty-three out of the total of forty-three were exceptionally good. Right here, it is well to mention that the colored inks—the blue and the green letters—were perfect matches in each of the five instances where used. However, in spite of the fact that they were perfect matches, they lacked the power of attention found in the perfectly filled-in black process letters.

Good fill-in .....	23
Poor fill-in .....	13
No fill-in .....	7
	—
	43

The most startling discovery in the analysis of signatures was the number of letters apparently signed by women—men's names signed by some woman in the organization. These feminine signatures, while very neat, had a tendency to weaken the message and especially in the letters selling factory equipment, such as lathes, punches, bolts, etc. Of plate-signed letters, there was a marked

note of economy—more than 75 per cent of the plates being of the old, worn-out variety. It would appear that if a concern is doing direct-by-mail advertising, having their letters signed by the plate process, they would pay more attention to their plates to see that they gave a clear, clean impression. More business would result and the deception would be more perfect. Some of these plates were worn so badly that there was more of a smudge than any semblance of a signature.

Signatures, hand signed	
masculine .....	10
feminine .....	9
Plate signed,	
good .....	4
poor .....	18
Letters not signed.....	4

## The Illustrated Letterhead

In spite of the fact that we are living in an era of color work, only fourteen of the forty-three letterheads were printed in more than one color. As the table shows, twenty-nine were printed in one color—black; ten were printed in two colors, and four in three colors. There is no question but what the two and three color letterheads proved the better attention-getters. Only one of these multi-colored letterheads was overdone—too much color and falderal. The small additional cost for the extra one or two colors, is, in the writer's mind, more than made up by the additional attention and business possible through their use. If you figure it right down to the cost of one letterhead, it is so small it is almost impossible to split the penny that many ways.

One color letterheads—black	29
Two color letterheads.....	10
Three color letterheads.....	4
	—
	43

While there are many products that do not lend themselves to picturization on the manufacturers' letterheads, there are still too few manufacturers with products that can be pictured on the letterheads who are not using this type of advertising. Note the table:

Letterheads not illustrated.....	29
Letterheads illustrated.....	14

The value of illustrations on the letterhead is perhaps best emphasized and substantiated when we tell you that through error one of our letterheads got into the mail without the letter's being multi-graphed on its face. It was mailed to the prospect, who returned the letterhead to us with pencil instructions thereon to ship him a Barrett lift truck. If there had been no picture of a lift truck on the letterhead, this prospect would not have known what we manufactured and, consequently, it is altogether reasonable to assume that we would not have secured his order for this truck.

#### An Argument for Standardization

A thing of interest discovered in this analysis, was the predominating preference for printed letterheads. Twenty-two of the forty-three were printed, whereas only twenty-one—less than 50 per cent—were reproduced in another manner, as the table indicates:

Printed letterheads.....	22
Lithographed letterheads.....	16
Engraved letterheads.....	5
	43

Five of the forty-three letterheads were engraved—that's fine, if you can afford it. But, the writer feels that only certain concerns can use engraved letterheads to advantage. If you are in the bond or banking business, the engraved letterheads lend the required atmosphere and promote prestige. It would not, however, behoove the manufacturer of factory equipment to use such a high quality letterhead in endeavoring to sell equipment to small factories.

Here is a surprising thing—forty-one concerns used the white letterheads, whereas only two are using colored letterheads. Quite

true, the white sheet is very attractive and is commonly accepted the standard stock for letterheads. However, isn't it altogether reasonable to assume that we could increase the results secured from our direct-by-mail advertising by constantly changing the color of our letterheads? If you were sending direct-by-mail matter—letters—to a certain list a number of times throughout the year, don't you feel that you will have a better opportunity of getting your message over if you will change the dress of your letterhead? By that I mean, change the color of the letterhead. Try it and see.

#### Seed on Barren Ground

Mr. Herbert Hoover should be gratified to learn that his efforts toward standardization are reflected in the size of letterheads as the following table shows:

Letterhead sizes	
8½ x 11 inches .....	38
7½ x 11 inches .....	2
6¼ x 10½ inches .....	1
6 x 9½ inches .....	1
8½ x 7 inches .....	1
	43

One of the strongest arguments that I can give against odd sized letterheads is the inconvenience found in filing; 8½ x 11 inches is generally accepted as the standard sized letterhead. Our file drawers and our filing portfolios are designed to accommodate that size. Now, then, you send out a letterhead 6 x 9½ inches—can't you see how easily it can be lost, in with hundreds of other letters 8½ x 11 inches in size? To my mind, nothing is to be gained and much can be lost by endeavoring to economize on a small size letterhead. Likewise, nothing is to be gained and perhaps something is to be lost by using over-sized letterheads—which are a nuisance to file.

If you are at all puzzled as to whether you shall send an enclosure with your direct-by-mail letters, perhaps this table will enlighten you:

Letters without enclosures.....	28
Letters with enclosures.....	15
	43

Personally, I do not endeavor to secure inquiries from people who

are merely curious and definitely are not in the market for our equipment. That's why we make it hard for people to answer our direct-by-mail letters. If they are vitally interested in our equipment, they will ask for literature describing our products, even though it is necessary for them to sit down and dictate a letter to us. Likewise, there is no one piece of literature that we could design to accompany our direct-by-mail letters, that would definitely point out to any particular prospect, or group of prospects, the breadth of application or the savings effected through the use of our equipment under conditions similar to those existing in the prospect's plant.

Our product lends itself to use in 273 industries and, consequently, our literature would have to be very general in character—as is our letter. We, therefore, prefer to send out our letters without enclosures. When we get an inquiry, we will then send that particular person data pertaining specifically to conditions.

Perhaps the saddest discovery of this entire investigation was to find that no less than thirteen letters tried to sell us something for which we had no use. Investigation on the advertising manager's part would have prompted the removal of our name from their mailing list.

Selling something we could not buy .....	13
Selling something we could buy .....	30
	43

"I must say that you are turning out some very good ideas in your publication 'Sales Management,' and I always look forward to reading it from cover to cover."—George V. Brook, Salesmanship, Ltd., London, England.

G. C. Gruetzke, who for the past six years has been associated with the Aetna Casualty and Surety Company at New York City, has joined the Robert E. Ramsay Organization, Inc., New York sales promotion counselors.



# The "You" Attitude in Selling

Some of the Successful Sales Tactics Used by Salesmen  
for the Equitable Life Assurance Society as Described by

*John A. Stevenson*

Vice President, Equitable Life Assurance Society, New York City

MANY salesmen during the first few minutes of their approach, talk in sentences which should be followed by exclamation points. They make assertions. Now, if you will look at an exclamation point, you will see that it is the shape of a club, and it always seems to me that about all some salesmen do with the assertions is to put the prospect in a frame of mind so that he is simply dodging these little clubs—or exclamation points.

It seems to me that such an approach is all wrong. Consider the question mark. It is in the shape of a hook. If a salesman will ask questions during the first few minutes of his interview, he is simply taking that little hook and drawing the prospect close to him.

Much of the success of an interview depends on whether the prospect is kept busy dodging those clubs the salesman throws at him, or whether he is drawn closer to the salesman by the hooks of the question marks.

In other words, it gets back to the old proposition of winning an argument and losing a sale.

So many salesmen make statements in the beginning of their interviews with prospects that start arguments. And an argument can avail nothing, for no matter who wins the argument, the sale has been side-tracked, nine times out of ten. One of the best sales-

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As this article was being prepared for publication, a salesman for a well-known photographic house was ushered in. He had a beautiful display of photographs—the kind every man likes to gaze upon—you know the kind we mean.

He explained that he thought his house could give us good service and then said, "I didn't have much to do this morning, so I just thought I would drop in and see if you would be interested."

We couldn't help thinking how valuable Mr. Stevenson's advice, outlined in this article, would be if it could be pasted in every salesman's hat. We refer particularly to that part of the article where he says, "I think one of the worst ways one can imagine of starting an interview is to say to a prospect, 'I just dropped in.'"

---

men I ever knew claims that the more the prospect talks, the better are the chances for a sale. Recently he was talking with a prospect who appeared to be hopeless as a buyer of life insurance. But the salesman knew enough to let the prospect talk. He talked of his plans, his program, his children and home. Finally, in telling how he hoped to give his children a college education he said, "If I live." Those three words, "If I live," were the salesman's cue to start his talk. Based on the idea that the prospect ought to provide for the education of his children if he didn't live, the salesman developed a talk which closed the prospect for a policy.

Too many salesmen start out every morning with no definite idea of where they are going or what they expect to do, or whom they are to call on. This was proved recently by one of the district managers in our organization who stood at the door of his office, and as every salesman started out

in the morning, he asked "Right or left?" Only a small percentage of the men had made up their minds whether they were going to turn to the right or to the left when they stepped out of the office door. No salesman can hope to do a successful day's work without knowing which way he is going, but a surprisingly large number of the men in this organization had no plans, and were leaving their day's work to depend on a whim or fancy.

Another habit men have is to "just drop in" on a prospect. I think it is one of the worst ways one can imagine of starting an interview to say that he has just dropped in on a prospect, because the first five minutes almost invariably determine whether or not a sale is to be made. The prospect decides in his own mind, and during the first few minutes of the interview, he very often forms conclusions which prevent the salesman from telling his story, thus making it impossible for the sale to be completed.

The method in which a proposition is presented makes all the difference in the world. For example, when a prospect says that he has all the insurance he needs, many salesmen are backed up against the wall with nothing more to say. Suppose a salesman asks a man how much insurance he has and the man answers that he has ten thousand dollars of insurance on his life. Ten thousand dollars sounds as though it were a lot of money. The man thinks he is

A portion of an address delivered by Mr. Stevenson at the Life Insurance Sales Congress conducted by the Chicago Association of Life Underwriters, April 16, 1926.

amply protected and that he is leaving his family well cared for.

Our men have developed a plan which eliminates the necessity of asking a man how much insurance he has. It also starts a prospect thinking in different terms. When the matter of insurance comes up, our salesmen usually say, "I am not going to ask you how much insurance you have. But here is a thought which I would like to have you consider, because I believe it will help you determine in your own mind, without any suggestions from me, whether or not you will have left your family provided for. Remember it is the income from the principal that you must count on. Now write down on a piece of paper the total amount of your insurance—then cross out the last three ciphers and the figures left will be the amount of income per week that you will have left your family."

#### The Income Principle

Most prospects will do this. When they have done it, instead of thinking of ten thousand dollars, our salesman has started them thinking of ten dollars a week, which is actually the amount of income which will be derived from a ten thousand dollar policy.

This gives the salesman an opportunity to start talking on a new basis, and to explain income policies—to break down the prospect's objection that he is amply insured. It saves the salesmen from getting into an argument with the prospect concerning the size of his policies and the need for greater protection.

One of the greatest assets a salesman can have is the ability to approach the prospect with what we call the "you" attitude. You have heard salesmen say, "I'd like to show you a policy," or "I'd like to do this, or that, or something else." Such salesmen can never interest a prospect. The prospect isn't interested in what the salesman would like to do or to sell. But there are a lot of things the prospect is interested in, if the salesman will forget himself and talk to the prospect in terms of "you."

Another plan we have found successful in selling revolves around two slogans, or phrases, which we

use. In discussing insurance, we tell a prospect that there are just two ways to build an estate—to save and create, or to create and save. Through life insurance he creates first, for when a man buys life insurance he has automatically created an estate, and by saving, he can maintain that estate, and increase it as fast as he can save. But without life insurance he must save first and create afterwards. Only through a long period of saving can a man create an estate without life insurance, but with insurance he creates the estate first and saves to maintain it.

There is a lot of talk these days about life insurance men who sell their prospects a program of insurance and estate building. Now I am very much in favor of this, but

there seems to be a tendency towards too much talk about programs and too little actual selling. It makes no difference if the salesman outlines the finest program of saving and estate building in the world; it means nothing until the first sale has been made, until the first step has been taken—and that first step is the sale of the first policy.

There are many salesmen who can come back to the office and write up a wonderful program and take it to the prospect and discuss it thoroughly and intelligently without ever getting an order. Now, I think it is better to sell the first policy, win the prospect's confidence and thus start a relationship which can be developed into a counsellor-client arrangement.

## Another Echo of the Private Printing Plant Story

Editor, "Sales Management":

We were much interested in reading your article in *Sales Management*, "Does a Private Printing Plant Ever Earn Its Board and Keep?"

We are interested in knowing how many plants of this type you investigated when preparing to write this article and how many companies of the number investigated them.

We'll appreciate your giving us this information if you care to do so.

We are looking forward with pleasure to hearing from you within a short time.—The Tropical Paint and Oil Company, L. L. Miller, advertising manager.

Tropical Paint and Oil Company, Cleveland, Ohio:

The experiences of fourteen establishments in operating their own printing plants were investigated.

Among those who at one time did their own printing, but who have since given up their plants, are the Grand Rapids Show Case Company, which turned over its plant to its employees; the Royal

Tailors, whose plant in Chicago was purchased by the Pryor Press; Sears, Roebuck and Company, whose plant was purchased by the Cuneo Printing Corporation; the Foley Company, a proprietary medical concern which ultimately found itself in the printing business and discontinued its medical interests, and the DePree Company, of Holland, Michigan. There were several other companies who do not wish their names mentioned in this connection but who likewise found it advisable to discontinue the operation of printing plants.

The purpose of this article, you will understand, was to point out some of the factors which must be considered by any organization before it undertakes to handle its own printing, rather than to prove that such plants cannot be successful. There are several examples of concerns which have operated private plants with a fair degree of success, but from the data we gathered, it appears that few of them can produce their own printing at a cost, or of such quality, as they could buy it outside.—Sales Management.

# New Package Wins Place in the Sun for a Neglected Product

How The Charles Emmerich Company Worked Out a Merchandising Plan That Added a Novelty and Luxury Appeal to a Staple Line

By John M. Garth

IT IS strange how little we know about some of the staple necessities which play such a big part in the comfort we experience in life. Take pillows, for instance. Have you ever heard of pillows being the subject of conversation? Do you remember when new pillows were bought for your use?

Almost everyone just takes pillows for granted. The average period of use for a pair of pillows should never be more than five years, it is claimed, yet the average family buys pillows about once in ten years; some authorities say that a good pillow usually sees twenty years of use before it is discarded.

The reluctance of consumers to buy new pillows has always been one of the major problems of the pillow business. For years Charles Emmerich and Company have wrestled with this problem. It seemed as though a solution were one of those things to dream of only in some business Utopia. Although consumers spend from a third to a fourth of their entire lives sleeping on pillows, there seemed to be no way to awaken them to the fact that there were pillows and pillows—that a few feathers sewed into a cloth bag didn't necessarily make a comfortable pillow.

Then there are other problems. For less than a hundred dollars one can become a pillow manufacturer. A few feathers, a roll of ticking, and a second-hand sewing machine set up in the basement or the attic, will turn out the kind of a pillow which can be pawned off to the unsuspecting public as a good pillow. Sweatshop competition has always been one of the major problems of the industry. Add to this the dealer inertia, and you have a sales problem that

seems almost too difficult to attempt correction. So many dealers have never been interested in selling pillows; they carry them as an accommodation.

Although the Emmerich people have been in business for sixty-eight years, few consumers knew of the company. Well known to

been shipped for many years, compressed in burlap packages of forty-eight pillows to a package. Outside of a small tag, required by law in most states, there was no identification of the product when it reached the consumer. The very act of compressing the pillows for shipment by freight robbed them



the trade, they were almost unknown to the consuming public. For many years the company has maintained national distribution. Its salesmen have called regularly on the trade, selling direct to the dealers.

A little more than a year ago it was decided that the time was ripe to jar the public into thinking of pillows as a product which ought to be replaced often—as a product which should be purchased with care and understanding.

The problem of packaging was considered as offering possibilities for improvement. Pillows have

of much of their quality; every pillow was actually damaged in the process of delivery to the consumer. But pillows had always been shipped this way. Dealers were accustomed to it, and thoroughly satisfied with the method.

Having no display value, pillows were usually hidden away in the store to gather dust and fly specks until a customer came in and asked for them. Not one dealer in ten thousand knew anything about the quality of pillows, or made any attempt to sell the better grades.

An experience of the wife of one

(Continued on page 700)



"Meet  
the Wife,  
Too"

"No  
Buried  
Ads"

78%  
Circulation  
in  
Big Buying  
Centers Only

99%  
Newsdealer  
Circulation

# You Tell The Millions They'll Tell The Dealer

*—that's the profit principle of modern advertising—Consumer Influence, the factor that's made Liberty an Advertising Sensation*

**G**IVING the public what it wants is the modern retailer's creed.

Giving the "trade" what it wants is the religion of all jobbers.

Both are based solely on consumer demand; on the demand of the millions for certain fortunate products.

Advertising that pays out in dollars functions chiefly on that basis. It aims to sell the millions. The millions who tell the dealer what they want—and get it.

The enormous sales of "Uneeda Biscuit," "Quaker Oats," "Palmolive," "Cream of Wheat," "Ivory" and of scores of others are based on the priceless factor of consumer demand.

Thus men who advertise for profit today ask one question above all others: "*Will my ads be seen and be read by the millions?*" For thus alone can dealer sales be multiplied.

That is why Liberty, offering four unique advantages in winning maximum consumer influence in the weekly field, has become an advertising sensation.

## 1

### "Liberty Meets the Wife, Too"

85% of all advertisable products are influenced by women in their sale. Few advertisers today can afford to overlook "the wife" in the costly weekly field. 46% of Liberty's readers are women. Every issue appeals alike to men and women

# New Recommends C. O. D. Plan for Return Postcards

Use of Sample Post Urged; Borah Offers Radio Commission Plan; Weight Standardization Sought for Mill Products

*By Uthai Vincent Wilcox*  
Special Washington Correspondence

THE postmaster general has recommended C. O. D. postcards. Under the plan suggested it would be possible for return postcards to be mailed and the postage collected by the business interests who benefit. The postmaster general said before the Joint Sub-Committee on Postal Rates, that "the desire for such a postal facility is due to the fact that persons to whom postcards are sent to be used for the purpose of requesting a catalogue or other advertising literature, ordering merchandise, or transmitting information, are frequently deterred from using the postcard by reason of the necessity of affixing postage which may not be available at the time. This postage the advertiser would gladly pay."

The postmaster general believes that with the use of such a postcard privilege there would be an increase in the use of postcards. But to cover the cost of collecting the rate suggested for C. O. D. postcards, the postage should be a cent higher than the current rate for the postcard otherwise. He said, "If the postcard should remain at two cents, then this rate would be three cents; but if the postcard should be reduced to one cent, then this would be two cents." A general reduction of postcards to one cent seems imminent.

Senator Moses, chairman of this joint committee, said: "As nearly as I can make out, the committee is united on the advisability of lowering the rate on the private mailing cards."

Recent official announcement has stated that the Canada postcard rate is two cents single and four cents return. This was made to

clear up present confusion as to Canadian postcard rates.

New postal rates have been announced for parcels to Africa, particularly the Belgian Congo.

## *Urges Use of Sample Post in Export*

The Bureau of Foreign and Domestic Commerce is endeavoring to interest those who may profit thereby, in the use of the privileges of the sample post.

Every country that is a member of the Universal Postal Union, grants the privileged treatment of samples. Particularly in the case of Mexico and other Latin-American countries, the use of sample post wherever possible will eliminate the customs formalities and charges which result in frequent abandonment of parcel-post shipments of samples by importers. This includes only bona-fide samples of no salable value, of limited weight and size.

Trade Information Bulletins Numbers 250 and 145, obtainable from the Bureau of Foreign and Domestic Commerce, Division of Foreign Tariffs, will be sent to those interested to request further detailed information.

## *Senator Borah Proposes Radio Commission*

A bill providing for the regulation of radio communication through a committee of three members to be appointed by the president, has been drawn by Senator Borah. This commission would be vested with power to classify radio stations and operators, prescribe the nature of the service to be rendered, assign

bands of wave lengths, and to regulate and direct other phases of radio communication. Under the provisions of the bill, the three commissioners appointed by the president to serve on the National Radio Commission, would, before their induction into office, be subjected to confirmations of the Senate. Their salaries would be \$10,000 a year and they shall not be actively engaged in any other business or employment.

## *Seek Standard Weights for Mill Products*

Standard weights and measures for flours, seminola, hominy, grits and meals and all commercial feed-stuffs, uniform throughout the United States and applicable alike in intrastate and interstate commerce will be established by a bill reported to the House by the committee on coinage, weights and measures.

The standard weight would be one hundred pounds avoirdupois and standard measure, packed for sale, shipped, sold or offered for sale, would be packages of one hundred pounds net or five, ten, twenty-five or fifty pound fractions thereof. In addition, this standard measure would be 140 pounds for wheat and rye flour only, and sixty or eighty pounds for commercial feeding stuffs.

Under the bill, if enacted, each package would be required to bear in plain, legible and conspicuous form, statement of net weight. Violations are penalized as misdemeanors with liability to fine not exceeding \$500. It is also stipulated that irregular sale of broken lots by actual weight is not unlawful. These provisions will not

apply to such materials which are packed for export; however, there is no exemption if these goods which were to be sold in foreign markets are placed in the domestic markets.

The passage of this bill would undoubtedly help to clear up many difficulties due to the wide variation of the laws governing weights and measures as operative in the United States. Representative Perkins of New Jersey in discussing this measure said:

"The consequence of these differences in state laws is that a package recognized as legal in one state is illegal in another. For instance, a forty-eight pound package is legal in Florida, Georgia, Kansas, Kentucky, Louisiana, Maine, and other states. Such a package would be illegal in California, Delaware, Illinois, Indiana, Michigan, Minnesota, and other states. In the same manner, the twenty-four pound package is a legal package in Florida, Georgia, Kansas, and Kentucky, and illegal in California, Delaware, Illinois and Indiana.

"These differences in the established standards of the various states make it necessary for mills to carry unnecessarily large supplies of sacks of various sizes, increasing the amounts of money tied up in sack inventories, which necessarily reflects in the price paid by the consumer. The cost of packages is the largest single item of mill cost except the cost of raw material."

### ***Customs Court Hands Down Test Decision***

Cheaply dressed dolls, the underwear being trimmed at the top and bottom with cotton lace, are dutiable at the rate of 90 per cent ad valorem under paragraph 1430 of the act of 1922, according to the United States Customs Court of New York.

This decision is in harmony with a previous one having to do with rugs which had a fringe. Because of the fringe and because of the lace, the articles were passed only at a higher duty. Various claims have been made in protest, but the customs court expressed that it

was reluctant to charge the higher duty but felt obliged to do so under the construction of the decision of the United States Court of Customs Appeals.

### ***Issues Fraud Order in Puzzle Contest Plan***

The Post Office Department does not look kindly on puzzle contests that make false promises and which run close to the edge of misrepresentation. This was indicated by the fraud order issued against the Naverman Company of St. Paul, Minnesota. It was found that all who sent in answers to the puzzle, whether correct or incorrect, were treated in a similar way. The pearls, which were described, were found to be very cheap.

### ***Would Hold Shippers for Freight Losses***

The Senate Committee on Interstate Commerce has under consideration a proposed amendment to the bill of lading act which would require railroads in interstate commerce to check up on all consignments from shippers so that they would be held responsible for any pilfering from freight cars. Such legislation is being supported by shippers' interests and the American Bar Association.

### ***Branch Stores Outgrowth of Traffic Problem***

According to surveys of the Department of Commerce, the problem of traffic congestion is having a wide influence on the retail trade and is turning business to the small merchant in many instances. There are evidences that there may be other fundamental changes in business due to the use of the automobile and the congestion found in many large cities about the large retail sections.

The Department of Commerce has found that many shoppers are buying in the smaller suburban stores when possible. Some merchants have evolved a plan of decentralization to capture this diverted buying power. In one large city two important department

stores have already bought sites in a residential center for the location of branch stores.

The survey notes that in one case a certain family was attracted to a high priced piano displayed in one of the best downtown music stores. The family car was parked nearby and the parking time had just about expired when the moment for the final decision had arrived. Rather than decide hurriedly, purchase was deferred to another time. However, on the way home the family stopped in a music store located in their neighborhood and bought a piano.

"Vehicular Traffic Congestion and Retail Business," published as Trade Bulletin Number 394, may be obtained without cost from the Bureau of Foreign and Domestic Commerce, Washington, D. C.

### ***Seek Restriction in Use of "Federal" and "U. S."***

As an evidence of the trend of legislation, there is a bill pending in the Senate, which provides that no bank, banking association, trust company, corporation, association, firm, partnership, or person not organized under the provisions of the Federal Farm Loan Act shall advertise or offer for sale as Federal Farm Loan bonds, any bond not issued under the provisions of the Federal Farm Loan Act, or make use of the words, "Federal," "United States," or any other word implying government ownership, obligation or supervision in advertising or offering for sale any security not issued by the government, or under the provisions of some act of Congress.

### ***Wholesale Price Scale in U. S. Is Lowest***

According to the Bureau of Labor Statistics, wholesale prices in the United States in 1925 were lower, as compared with 1913 figures, than almost all other countries of the world which issue index figures of prices. In December, 1925, only the United Kingdom, Netherlands, South Africa, and Germany had lower index figures.



# Eighty Percent of the Profits From Twenty Percent of Sales

A study of the problem of selling from the retailer's angle which shows why it is so difficult to introduce new lines or to sell big orders

By S. C. Stokley

BACK in 1908, while I was the advertising manager of a department store in a mid-west city, I was nearly fired because I made the heretofore unheard of statement, that the reason that store had not made the showing it should was due to the fact that it was doing 80 per cent of its business with but 20 per cent of its merchandise.

When I went still further and showed that if 80 per cent of the stock had not been in a semi-dormant or dormant condition, the turn-over would have been doubled and the net profit nearer 4 per cent than it was, I didn't have a friend in the store.

When I took my findings to the board of directors with the hope that I'd find my Isabella as Columbus did his, I might just as well have "stayed put" in my little office, because that's where I finally landed — bruised, battered and discouraged, but not whipped by a long shot.

Thirteen years later, I was sitting in the office of the president of one of the 225 stores, which was reporting its monthly figures to the organization with which I was connected, working out a somewhat knotty net profit problem, when the same question came up and the same answer was given. This time I was neither fired nor battered, because times had changed.

From all outward appearances, the store was going along at a satisfactory pace and seemed to have the

confidence of the public, yet here's what the final percentage figures of expense revealed:

Salaries and Wages.....	16.1
Rentals .....	4.0
Advertising .....	3.7
Taxes .....	0.4
Interest .....	2.5
Supplies .....	0.4
Service Purchased.....	1.3
Unclassified .....	1.6
Traveling .....	0.2
Communication .....	0.3
Repairs .....	0.2
Insurance .....	0.2
Bad Debts .....	0.2
Other Depreciation.....	0.3
Total Expense .....	31.7
Gross Margin .....	32.8
Net Profit .....	1.1
Stock Turn-over.....	2.2

"Why," asked the president, "didn't this store, doing approximately a million and a half last year, make me more than 1.1 per cent net profit?"

"Because," I answered, "you turned your stock investment only 2.2 times."

"What in the name of heaven has stock turn-over got to do with net profit?" he asked.

"Just this," I said. "Invested

money is the source of profit, and profit, in turn, depends upon the amount of goods in stock and the length of time which it is carried. The sooner you realize that the number of turns you can get in a given period is as important as the profit on each turn, you'll jump that net profit of yours a few points.

"If you grant that point, then you'll grant that doubling the number of turns amounts to the same thing as doubling the amount of stock, without increasing the investment."

"That's sound logic," he said, "and it's as plain as the nose on my face that if I could double my stock-turns I'd invest half as much money in stock, cut down my interest charges on loans, kick that bug-a-boo mark-down account for a row of goals, and a half a dozen things I might mention."

"Let's take a look at your departmental stock investment and sales for 1921 and see how they line up with a few stores of your type."

Comparing his departmental stocks and sales at retail with a group of stores of similar size and character which had long since realized that they were doing 80 per cent of their business on 20 per cent of their stock and had taken steps to correct the condition, I found each one of his departments was suffering from an overdose of stock investment, small sales and, consequently, slow stock turn-over.

Retailers are studying their profits and stocks, margins and turnovers as never before. Manufacturers who formerly sold long lines of merchandise and found it easy to obtain orders for the complete line, now report that it is almost impossible to induce merchants to stock full lines. This article tells why—and perhaps carries a suggestion or two for the manufacturer who hasn't as yet analyzed his problems from the retailers' angle.

Hand-to-mouth buying, as careful buying has been dubbed, is here to stay, and only the manufacturers who can fit their sales methods into this new plan of buying can hope to cope with present-day selling problems.

One of the typical examples of his condition was found in the women's and children's hosiery department.

In 1921 this department did \$87,000 on a \$55,000 stock at retail—a stock turn of 1.57 times.

After an investigation we found that the stock was made up of: 26 brands; 34 prices; 11 materials; 132 colors; and 19 sizes. During a three months' survey the public bought: 80 per cent of its hosiery from 5 brands; 87 per cent from 6 prices; 94 per cent from 4 materials; 84 per cent from 6 colors; 94 per cent from 5 sizes.

Each one of the other departments showed practically the same results and in 1923, after the condition had been corrected, the hosiery department did \$187,000 on a \$29,000 stock at retail, a stock turn of 6.4. Through reducing the departmental stock investment in each department by the same method and aiming as nearly as possible to bring about the condition that would enable the store to do 80 per cent of its business on 80 per cent of its stock, and carry enough novelties and over-night styles to satisfy the 20 per cent, 1923 showed a surprising and satisfactory gain.

#### **Before and After Concentration**

Whereas in 1921 the total sales had been \$1,400,000, the stock investment \$650,000, and the stock turn 2.2 times, in 1923 the total sales were \$1,811,948, the stock investment \$402,833, and the stock turn 4.5 times.

In other words, the total expenses in 1923 were 27.3 per cent, as against 31.7 per cent in 1921; the gross margin 31.8 per cent instead of 32.8 per cent and the net profit 4.5 per cent instead of 1.1 per cent.

When this idea of concentration is put to merchants, they naturally shy from it because they feel it means stripping their stocks to the bone and losing sales to their competitors.

They will, but not at the rate they are now losing them.

When this store did \$1,400,000 and carried a stock of \$650,000, 52 per cent of the people who came

into the store left without buying because they could not find what they came for, and the mark-downs were 15.3 per cent of the sales.

In 1923, with the sales \$1,811,948 and the stock investment \$402,833, only 23.2 per cent of the people could not find what they came for, and the mark-downs were but 7 per cent of the sales.

The reason why the lost sales and mark-downs were lower when the stock investment was smaller, was because the larger stock, like all large stocks, was not complete in price, material, style, size and color-range, and consequently contained much of what the public did not want and little of what it did.

#### **The Manufacturer's Problem**

The smaller stock being made up of the prices, materials, styles, sizes and colors the largest number of people wanted was as near complete as it was humanly possible to make it, and consequently few sales were lost and few mark-downs taken.

Now let's look at the other side of the picture and see how all this fits into the manufacturer's problem, because he, like the retailer, is looking for ways and means to make more net profit out of his present volume.

Two years ago a manufacturer of a very necessary article of wearing apparel, which had its outlet through department stores, men's stores and women's specialty shops, looked over his costs of doing business and found out that he wasn't making as much money as he felt he should.

Quite naturally he spent a few sleepless nights trying to figure out why and then gave it up as a bad job.

One day two men who had spent the better part of their business lives solving just such problem, happened in on him.

Together they analyzed his problem and decided there were only three ways this manufacturer could increase his net profits:

1. By increasing his prices.
2. By decreasing his costs of operation.
3. By increasing the number of turns of his stock investment.

Competition in his line was so keen that the first way was eliminated immediately. The second went by the boards because the costs of labor and material was pretty well fixed, so that left the third way open.

Listing his numbers produced and checking them against those sold to the retailers, it was found that he, like the retailer, was doing 80 per cent of his business on but 20 per cent of his merchandise.

He granted, right off the bat, that if he could eliminate the greater portion of the 80 per cent of his production which was slow moving and confine his efforts to his fast moving numbers, he'd be much better off.

But he was afraid to make such a move for the same reason that the average retailer is, and so for a while nothing was done, and the problem was as much a problem as it ever was.

One day these two men called on him again and this time they had a list of his competitors showing the percentage each was selling to some two hundred retail stores as well as the percentage of each brand as it was being bought by the public.

#### **Winning a Place in the Sun**

In the column of sales to the retailer his brand stood twenty-sixth. In the column of sales to the public it stood forty-second.

Strange as it may seem, out of 104 brands which were represented on the shelves of these 200 stores, 84 per cent of the business was in the hands of eight.

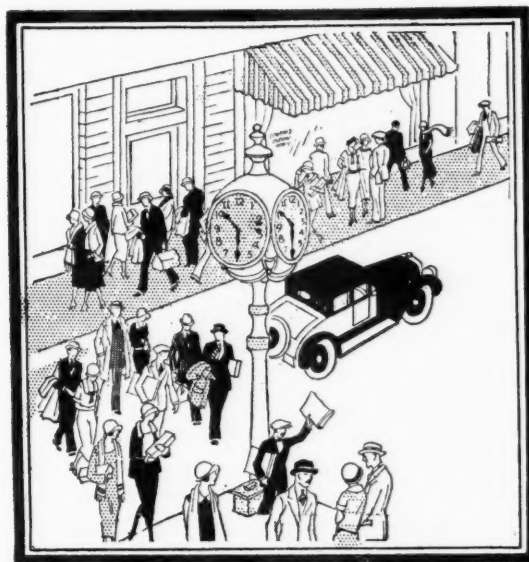
The only reason in the world why his brand was not one of the eight was that these brands were conducting a vigorous sales and advertising campaign, while he was depending entirely upon his past reputation.

In order that he might enter the charmed circle of eight it became necessary to build up his distribution.

This was done from an entirely new angle and, as it turned out, a very logical one, because it at once broke down the barrier all merchants build up the moment salesmen begin to tell them of a plan

## Working 18 hours a day

*Your Advertising works 6 hours  
longer in the Globe-Democrat  
than in any other St. Louis daily*



**G**LOBE-DEMOCRAT advertising works 18 hours a day—six hours longer than the advertising in any other St. Louis daily.

It begins to exert its influence at 9 o'clock at night (in The First City Edition). ....It works till its last reader is in bed.

Next morning it is on the job with the first riser, and it works all morning.

At noon the evening papers get on the job.... three....six....no, nine hours late!

And The Globe-Democrat is still plugging away....putting in its good old 18-hour working day.

By the time the evening papers get to work, The Globe-Democrat has had time to tell St. Louis and The 49th State about what you are selling.

Efficiency?....Yes, greater efficiency than your advertising dollar can get in any other St. Louis newspaper.

For here is selling influence which works for you six hours extra....And works when work is important.

It reaches customers during the hours when they can buy. It impresses them at the logical and the psychological time.

# St Louis Globe-Democrat

**St. Louis' Largest Daily**

F. St. J. Richards - - - New York  
Guy S. Osborn - - - - - Chicago  
J. R. Scolaro - - - - - Detroit  
C. Geo. Krogness - - - San Francisco  
Dorland Agency, Ltd. - - - London



that will increase sales 80 to 90 per cent.

You may or may not know that the average merchant has more schemes presented to him each day than there are political opinions in Russia, and that nine out of ten increase the presenter's sales anywhere from 80 to 90 per cent and the merchant's stock any old figure that comes into your mind. So you can't blame him for looking with suspicion on everything that is laid before him.

Under this plan to increase distribution, the results of stores which had discovered they were doing 80 per cent of their business on 20 per cent of their stock and had corrected the condition, were tabulated, charted and classified as to total volume, departmental stock, sales and turn-over.

For instance: If the salesman of the manufacturer was calling on a store doing, say, \$300,000 a year, he was pretty sure to find that the department was doing approximately \$20,000 on an average stock at retail of \$16,000 and getting a turn of about 1.2 times.

#### Applying the Principle

Comparing that result with the results of like stores using the concentrated plan, he would show the merchant that he should be doing in the neighborhood of \$25,000 a year on an average monthly stock at retail of \$7,600 and getting a turn of 3.31, which was even better than the average of 2.3 times.

He would also show the merchant that out of the average price-range of 28 prices, stores of his type did 83 per cent of the business on six prices. That out of 6 materials, 87 per cent of the business was done on three. That out of 19 sizes, 95 per cent of the business was done on six, that out of 34 shades, 87 per cent of the business was done on six, and that if the experience of these typical stores was worth anything to him, he could classify his stock along the same line. In the majority of cases the merchants did that very thing and almost everyone of them found approximately 80 per cent of their stock dead or dying.

Then they wanted to balance it so they too could get a 3.31 time

turn without taking any loss, and yet reduce their stock investment approximately 50 per cent.

Neither the salesmen nor the manufacturer could fill quite such a large order as this, of course, but they did show the merchants how to fill in the fast moving numbers with approximately 40 per cent of the slow and non-moving stock.

Once the stocks were balanced, the trick was to keep them balanced, so this manufacturer developed a merchandise control

system which the buyer kept and from which he could tell at a glance the condition of every unit in his stock.

Strange as it may seem, the initial orders were comparatively small, but the size of the stock called for constant reordering and by the end of the first year both the merchants and the manufacturer were amply repaid.

In fact, this manufacturer's brand is now in second place in sales to the retailer.

## These Government Reports Touch on Sales Problems

"The Army List and Directory," issue of March 1, 1926, is now obtainable for all purposes. The Army Corps areas and departments and their organizations for both the staff and the line are given. The relative rank list, promotion list and directory are brought down to date. For business selling to the army and to its men, the directory would be most valuable. Its cost is 30 cents.

"Loose Leaf Accounting in Foreign Countries." This bulletin tells of the dominating position of American loose-leaf products in the markets of the world. This is due largely to their superior workmanship, finish, and mechanical excellence, the bulletin says. There are some statistical data touching on the foreign trade of American office supplies. Issued by the Division of Commercial Laws, Bureau of Foreign and Domestic Commerce. Price 10 cents.

"Motor Bus Transportation." "The increasing use of motor busses in the various countries of Europe is strikingly shown in a trade bulletin issued by the Department of Commerce. H. C. Schuette, of the Automotive Division, reports there are 76,000 motor busses in operation in Europe today, compared with 80,000 in the United States. France and Great Britain are far in advance of all other European countries in motor-bus transportation and between them account for 70 per cent of all the busses in Europe.

American busses are found largely in Sweden, accounting for 90 per cent of the total number in operation. From Russia to Spain the motor bus is coming to the fore as a means of transportation. The American chassis of the lighter type is found in practically all European countries.

The cost of this bulletin is 10 cents a copy.

"Our Knowledge of Vitamins." Advertisers of food products and sales managers may be interested in a special report by D. Breese Jones, senior chemist of the Bureau of Chemistry. The contents contains an answer to just what vitamins are and explains the several forms which they take, their effects and their sources.

Copies may be had by addressing the Bureau of Chemistry of the Department of Agriculture.

The Transportation Division of the Department of Commerce has prepared a booklet entitled: "Paper Wrapped Packages for Parcel Post and Express Shipment." This report has come through the advisory board on domestic packing and will doubtless save shippers much expense. This is Number 3 of the Domestic Commerce Series and costs 5 cents a copy.

(All publications mentioned may be obtained at the price given, from the Superintendent of Documents, Washington, D. C., unless mention is made to write to another government department. Where publications are sold the price is stated and when sent free, the address from which to secure them is told.)

# Policies That Pulled an Automobile Company Out of the "Red"

(Continued from page 656)

How he landed his first job selling cars in Chicago is interesting. Here is his account of it: "Selling cars to movie celebrities in Los Angeles brought big commissions, but demanded too much time for play, so I came to Chicago. I arrived the day after Thanksgiving in 1918, with \$35 in my pocket. I called on a certain distributor in Chicago, and asked for a position. Because I went in smoking a cigarette, I didn't land the job. A few days later he went to Florida and I applied to Jack Quinlan, the sales manager, and landed a job on the sales force.

## Cord's Early Experience

"When the distributor came back from Florida, I was second high man on the sales force, so he didn't fire me. Early in 1919 Mr. Quinlan took over the Moon distributorship in Chicago. I went over to his office, hung up my coat and told him he had a new salesman. I worked a year before I made any salary or commission agreement. I sold cars, swept floors, changed tires, overhauled used cars or tackled any other job that turned up. At the end of my first year, I got \$8,000."

Mr. Cord later went to California for nine months, then took over the Moon agency in Milwaukee, which he sold for a handsome profit, in spite of the fact that he had nothing to sell but a contract.

"If you want to know anything about any automobile company, go out in the country and talk to retail salesmen. If I really want straight information about an automobile, I like to go out in the 'sticks' of Iowa or some other state and watch the prospects come and go through the salesrooms and talk to the salesmen.

"There you get the real facts. If a salesman says he can't sell a certain car because the doors are too narrow, you are likely to dismiss the objection by telling him what a competent engineer designed the

car. But if you are out in the salesroom and Mrs. Jones comes in and says that the doors are too narrow and you look at Mrs. Jones' all too ample form and see that the doors really are too narrow, you are going back to the factory and see that the engineering department designs wider doors, no matter what theories may be advanced." These are Mr. Cord's words, and they epitomize his methods of management.

"If the Auburn Company reaches the point where it is a big factor in the automobile business, a lot of people will say, 'Look what that fellow Cord did,' but that will not be the truth. Cord will have done comparatively little of it. All I will have done is to give some real men an opportunity to work. I made very few changes in personnel when I came here. I let out an advertising man, and a few other people who were doing nothing but winding red tape for the efficiency experts, but outside of those few changes, we have almost the same group of workers we had when I came. The difference is that I gave them all an opportunity to work, where they had been marking time in the past.

## Building an Executive Staff

"I made up my mind from the start that every man who came here to work with me would have to have a real interest in the success of this business. There was a man in Chicago I wanted. He was making \$100 a week and had a liberal expense account. I told him we had a place for him at \$50 a week, with a very slender expense allowance. I sold him our future; he came with us and made \$100,000 for us the first year. Why? Because he had an actual monetary interest in this business. He was putting into it, every week, not only his time and best effort, but \$50 a week of his earnings. A man who will do that can't fail, and the company who has men working under those conditions is going to succeed. Another man in our sales

department was making \$6,000 a year and a bonus. He looked over our plans and studied our prospects and came with us for \$3,000 a year. There are not enough days in the week for that fellow to work, because he is putting \$3,000 a year into our business—he is risking that much, for if we fail, he has thrown away that much salary. If we succeed, he knows he will be well taken care of.

"I will not take a man away from a job simply by paying him more money than he is getting. To such men there is only one day a week—payday. We haven't room for these men in this growing business. We need men who will fight for us, and we have them."

## What Is Good Advertising?

Mr. Cord and Mr. Faulkner, the vice president in charge of sales, prepare all of the company's advertising. They do not believe in pretty pictures, idle phrases or glittering generalities. Mr. Cord's idea of a good advertisement is one that brings people into the salesrooms of his dealers. He says, "When a dealer tells me, 'We have had more people in our salesroom since that latest advertisement appeared than we have had for a month past,' I know it is a good advertisement. I don't mean to belittle the cumulative value of advertising but the real test of an advertisement is the number of people it brings to the salesroom.

"When we started advertising our present model, the Auburn name was practically unknown. People even asked me if it was a foreign car. We knew we had to do something to make people talk. We had to get attention. So we were forced to make some bold announcements. Early in 1925 we predicted price-cuts; at the same time we told the truth about assembled cars. Some of the advertisements we ran were severely criticized. For example, one advertisement was headed, 'We Don't Grow Our Own Trees.' In the



body of the advertisement we frankly discussed assembled automobiles, calling attention to the fact that even the largest manufacturers bought many parts instead of making them.

"In other advertisements we made equally frank statements. These straightforward announcements brought people to salesrooms, started dealers talking and convinced people we were doing things. The conventional type of advertising would have been an utter waste."

Since the first of the new Auburn models rolled off the shipping platforms, not a single nut, bolt or screw has been changed. Mr. Cord thinks one of the big weaknesses in many manufactured products is the constant changes which are being made. This complicates the service problem of the dealer, adds to the inventory, aggravates the consumer and increases expense. He says no changes will be made if it is possible to prevent them. Dodge Brothers methods, he says, are the ideal for the automobile business, the ideal towards which he is striving.

#### Teaching Cost Curves to Dip

By rearrangement of the factory, labor costs have been cut nearly one-third, even though the quality of the product has been improved. Instead of spending nearly \$100,000 a year to maintain a receiving room and a complicated inventory and stock record system, all material is delivered immediately to the point where it will be used in production. Nearly all manufacturing plants use the receiving room system, where every nut and bolt is accounted for several times and only enough material for the day's output is delivered to the production lines. But this system costs money. It would cost Auburn approximately \$100,000 a year. When the other system was decided upon, a reserve for material variation of \$100,000 was set up. For 1925, material variation actually amounted to \$8,000. Other similar savings were made throughout the plant and the administration. To see the small office force, you could hardly believe the firm sold \$8,000,000 worth of cars in 1925.

"Common sense and an unwillingness to accept what is called common practice is my idea of good management," says Cord. "It has always been customary for manufacturers in our line to set dealer quotas and ship cars whether dealers needed them or not. Time and again dealers have been forced into bankruptcy because factories have forced cars upon them. Our policy is exactly the opposite. We are trying to sell all the cars we possibly can, but we frankly tell many dealers to slow down; to stop making wild trades; to stop selling new cars until they clean up on used cars. We don't want a dealer until he knows what we are trying to do, until he has visited our plant and seen with his own eyes what we have. So far as I know, we have never failed to sell a dealer, once we have interested him to the point of coming to Auburn and seeing what we are doing here.

#### The Distributor Organization

"It was interesting to note the effect of public acceptance on the morale of our distributing organization, and we had many interesting reactions. About July one of our distributors, who had been hounding us for cars, called us and said he would have to take on another line as he had only one car in stock and two demonstrators. When we asked him how many used cars he had in stock we found he had only three and his profits up to that time were \$8,000 net. He had delivered five times as many new cars in six months as he had delivered the first six months of 1924 and not having all the new cars he could deliver, his salesmen had kept his used cars cleaned up. During 1924 when he could get all the cars he wanted, he had not made any money because the public acceptance was not there.

"The experience of this distributor and other distributors of Auburn during 1925 seems to me to come nearer to settling the used car problem than any theory that I have yet seen advanced. By not being able to fill all orders a dealer is naturally put into a more independent frame of mind when dealing with his retail customers and

I hope that our production will always be behind public demand. What I mean is this—a dealer loaded with automobiles in his warehouse, with a factory hounding him to unload more automobiles, is apt to become unbalanced in his dealings and make bad deals, whereas a dealer buying just what he can sell, the same as the shoe merchant or grocer, has his feet on the ground at all times. If general acceptance and demand are ahead of production he can select his sales.

"A dealer is better off to make twenty-five good, profitable deals than he is to make forty poor ones. If we can give a dealer twenty-five cars to fill a demand for thirty-five, we know that the ten bad deals will be the ones he will pass up. Too much stress has been laid on volume and not enough on profits. When you ask a shoe man how business it, he doesn't answer you by telling you how many pairs of shoes he sold—he tells you in dollars and cents of profit, whereas an automobile man invariably says, 'I delivered so and so many cars,' which doesn't mean anything if he hasn't made money doing it.

#### The Auburn Sales Appeal

"For instance, I know of a case where a certain distributor in a large city delivered 1,800 cars of a well-known make and made \$40,000 net owing to his tremendous overhead, while our distributor in the same city made \$33,000 selling only 515 cars.

"In selling we haven't tried to sell performance. Our cars were made to appeal to the class of people who want something different. As a matter of fact the transportation value is actually built into the cars, but we have purposely refrained from stressing that, because we want our customers to find that for themselves. Right now we are investing several dollars in each car in future good will. For example, we told the manufacturers of our universal joints to put some extra work and some better material into these parts. The extra quality cost us two dollars a car.

"Not one buyer in a thousand knows about it, but after he has driven his car for two years he will





Interior of Multigraph Department of The Dartnell Corporation, of Chicago, well known as publishers of Sales Management Magazine and of The Dartnell Monthly Sales Service.

## Says THE DARTNELL CORPORATION:

### 1—About doing their own printing:

"We are convinced, in the light of our figures, that there is a great deal of work which we have been doing in our printing department which we can do a lot cheaper on the Multigraph, even though prices in our own printing department run 25 per cent to 30 per cent less than we would pay an outside printer."

### 2—About comparative costs:

"You will be interested to know that our average cost on printing with the Multigraph is 20 cents a thousand as against 90 cents a thousand on a vertical printing press, the automatic press which we use in our Gordon printing department."

### 3—About Multigraph output and durability:

"It might interest you to know that the original Multigraph which we purchased in November, 1917, is still at work in our Multigraph department, turning out work at the rate of 6,000 copies per hour; that it has been working day in and day out all that time. We now have three Multigraphs and are considering putting in the fourth,

but it seems especially interesting to me that a machine which is seemingly of light construction like the Multigraph will stand up under actual production almost as well as a very heavy printing press."

### 4—About the Multigraph's contribution to Dartnell Success:

"In closing, I want to take this opportunity of expressing to you our great appreciation of the contribution which the Multigraph has made to the success of the Dartnell business. I don't think I am stretching the point when I say that if it were not for the Multigraph there would be no Dartnell Corporation today."

THE four paragraphs which you have just read are from a letter written to us by Mr. J. C. Aspley, President of The Dartnell Corporation. All we need to add is the description of the printing Multigraph, which you will find below—with a coupon for your convenience, and future profit.

THE AMERICAN MULTIGRAPH SALES COMPANY, 1832 E. 40th St., Cleveland, Ohio

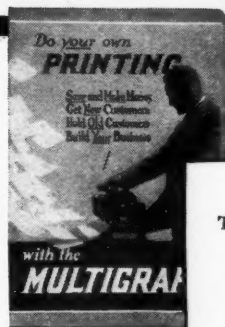
# the printing MULTIGRAPH

### The Printing Multigraph

A high-speed rotary printing-press, power-driven. Equipment complete with typesetter occupies only about 4 x 8 feet. Feeds automatically. Feeder holds 5,000 to 6,000 sheets ordinary stock, any size from 3 x 3 to 11 x 14. Will take folded stock, cards, envelopes, etc. Machine prints direct from type or electrotypes with printing-ink—colors if you wish. Saves 25% to 75% on a great range of printed matter for business or advertising use. Can also be used for form-letter work. Other Multigraph models to suit the needs of any business. Ask for demonstration.

### A Remarkable Book

The book, "Do Your Own Printing," is not only the most complete story of what the Multigraph is and does, but is also a valuable treatise on office printing which has grown out of many years' experience by a great variety of business concerns. Mail the coupon and you will receive a copy without charge or obligation of any kind.



### USEFUL IN A SALES DEPARTMENT

This book discusses printing from the Selling as well as the saving viewpoint, quoting many interesting examples. Check the coupon below.

Mail With Your Letterhead To  
THE AMERICAN MULTIGRAPH SALES CO.  
1832 E. 40th St., Cleveland, Ohio

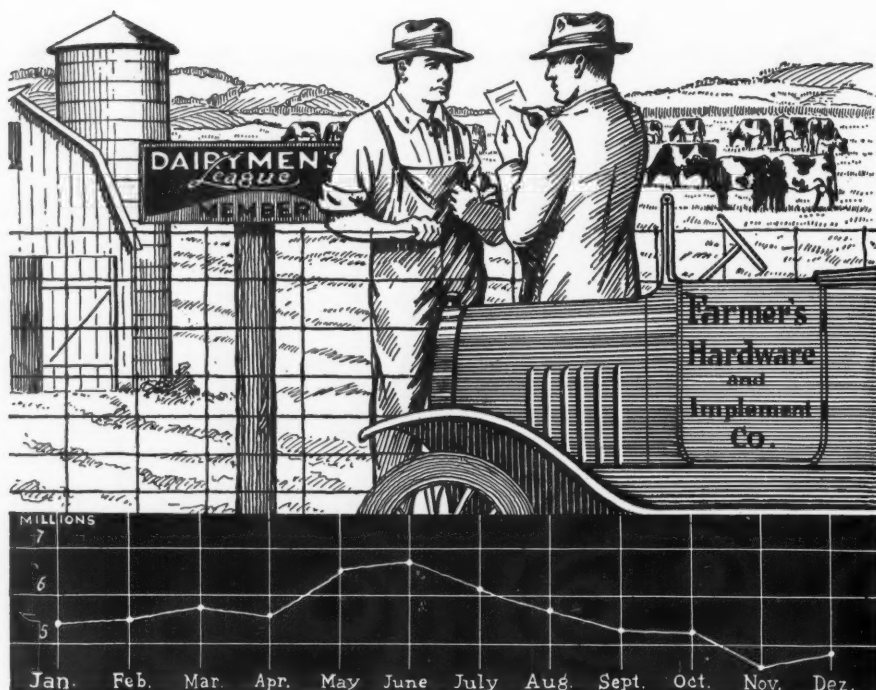
(Place check mark in square)

- ☐ Send me the book, "Do Your Own Printing."
- ☐ Notify your nearest office to arrange for demonstration of your printing Multigraph on my work.

Name.....

Address.....

My Business is.....S.M.-5-1-26...



Gross Sales of *The Dairymen's League Co-op. Assn.* for 1925.

## Pasture Time Is Harvest Time

### Milk Checks are Biggest; Expenses Lowest

**A** GLANCE at the graph above will show you that the Eastern dairyman received his largest milk checks during the months of May, June and July. These are the months when the cows are grazing in green pastures; and feed bills are almost forgotten.

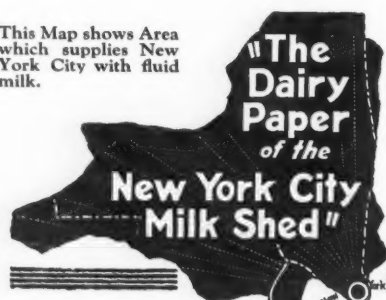
Shrewd advertisers drive hardest when the dairyman has the largest income and the smallest necessary outgo. It is then that the chances are greatest of diverting a part of his income to your product.

Your chances will be further improved if you use the medium in which he has greatest confidence—the dairy paper that is farmer-owned.

Careful analysis, shows that by using the Dairymen's League News and *one* general farm paper you can effectively cover the "New York City Milk Shed" at least cost and with least duplication.

*A request will bring Sample Copy and Rate Card*

This Map shows Area which supplies New York City with fluid milk.



## DAIRYMEN'S League NEWS

New York  
120 W. 42nd Street  
F. M. Tibbitts, Bus. Mgr.  
Phone Wisconsin 6081

Chicago  
10 S. La Salle Street  
John D. Ross  
Phone State 3652

realize that it has given him no trouble and he will realize that he has bought more than a car which is good to look at, which is what he thought he was buying in the first place. In selling cars I have noticed that every car invariably has some weak point which brings the customer back to complain. In every case these weak points could be remedied at the factory for a few cents, except for the stubbornness of some engineer, who understands a car so well he cannot understand that the public doesn't save a car in driving as he does."

It is interesting to note that the Auburn Company shipped only 836 cars in the first quarter of 1925 as compared to 3,392 cars shipped in the first quarter of 1926. In the city of Chicago alone in February of this year the Auburn car jumped into fourteenth place in registrations as compared with thirty-fourth place in 1925. They retained fourteenth place in registrations for March.

Mr. Cord's associates attribute his success in turning a \$60,000 annual loss into a net profit of \$755,000 in 1925 to his knack for getting the most out of men—for winning their undivided loyalty.

"If a coal pile needs moving, Cord will pitch in and move it," said one of his associates. "It is that spirit that has revived this business more than any other one thing. It is true he is a remarkably versatile man—he understands manufacturing, purchasing, financing and all phases of the business. He can turn from the production problem to financial problems and be equally at home in either, but his greatest asset is his method of dealing with men, his innate leadership qualities."

Editor, Sales Management: I am very much obliged to you for your kindness in sending me the two most interesting articles about radio broadcast advertising.

I read both of the articles very carefully, and wish to congratulate the writer, or writers, on the fine handling of this subject. Frankly, I'm very much interested in the development of radio advertising.—John H. Hawley.



## Sees Danger to Business in Political Outlook

**U**NLESS the warning is heeded which the administration recently sounded in its successful prosecution of two widely advertised combinations in the food industry, nation-wide investigations into the circumstances and legality of several recent mergers, combinations and trade association activities may be expected during the next year or two from the Department of Justice, the Federal Trade Commission and Congress," said Gilbert H. Montague in an address delivered before a recent meeting of the New Jersey Laundry Association.

"Jazz finance and a carnival of business prosperity has led in too many recent instances to a syncope of the most ordinary legal precautions, and unless the present danger signals are heeded there will certainly be a reaction of popular and political anti-trust agitation with the possibility of new drastic legislation by Congress.

### Friendly Attitude Prevails

"It should never be forgotten that it was under the administration of President Taft that popular discontent with various centralizing tendencies in American business compelled a conservative Republican administration to inaugurate the most drastic program of prosecutions ever brought in the history of the enforcement of the anti-trust laws.

"Not for a generation have the courts, the administration and the American public been so friendly toward business, both big and little, as they were six months ago.

"What the government's future attitude toward business will be depends chiefly upon the moderation or lack of moderation, the discretion or lack of discretion, and the reasonableness or lack of reasonableness, of American business, little as well as big, during the months that lie immediately before us.

"If business men, big and little, will successfully fulfill all the opportunities, and scrupulously fulfill

all the responsibilities, that the present era of good feeling has created, friendliness toward business in the past of the courts, the administration, and the public may eventually become fixed habit, and business stability greatly exceeding anything previously realized may in time become a glorious reality."

## National City Launches Big Outdoor Campaign

The National City Company of New York is inaugurating on May 1 a country-wide outdoor advertising campaign in which 2,900 billboards located throughout the United States are to be used. The campaign will run for six months and the presentation will be institutional in character. The billboards selected are located on highways in and near the cities in which the offices of the National City Company are located. It is said that this is the first time an attempt has been made to reach investors through the medium of bill-board advertising.

## Publishers Favor Vestal Copyright Bill

Authors, publishers and copyright authorities have joined in presenting a plea to the House Patents Committee for the adoption of the Vestal copyright bill. This bill, in addition to establishing the automatic copyright principle and revising the present law to take care of all copyright situations, provides for the membership of the United States in the International Copyright Union and for the complete protection of American publishers when they buy American rights.

S. Roland Hall, well-known writer of advertising and sales literature, addressed the Hartford Advertising Club on "Observations and Ruminations on Better Advertising" at its meeting April 20.

SALES MANAGEMENT—MAY 1, 1926

*This Big Downtown Plant Can Be*

## Your Chicago Warehouse



Insurance 17.7c per \$100 per year.  
Negotiable Receipts

**A**RE your salesmen in this territory losing orders because it takes too long for your product to come to the trade here from your factory?

Have you figured how much of the money that you spend in advertising and sales campaigns is a total loss because your competitor gets the business by making immediate delivery from Chicago stocks?

If you have not investigated public warehousing as applied to the distribution of your product and want to know why enterprising manufacturers the country over find our services an economy and not an expense, write us now.

We can handle your goods on package basis, or you can lease space and handle your own stock. In case offices are required in connection with warehouse space, we can offer you fine accommodations.

Out-of-town shipments by rail can be made anywhere without cartage expense.

Merchandise stored in this modern establishment will enjoy the very low fire insurance rate of 17.7 cents per \$100 per year.

## Western Warehousing Company

331 West Polk Street, Chicago

"At the Edge of the Loop"

E. H. HAGEL, Superintendent



# The Retailer's Special Message

*is told  
through his  
window  
displays—*

IT IS not always an easy matter for an advertiser to have the neighborhood dealer feature his products in the window even though the advertiser recognizes how desirable it is to utilize this valuable advertising space and thus obtain a fuller co-operation from the retailer.

Window displays tell the passersby the merchandise that has the neighborhood dealer's endorsement and recommendation.

*The following are some  
of the clients we are  
serving:*

Armand Co.  
Frederick Stearns & Co.  
Marshall Field & Company, on Blue  
Rose Toilet Preparations  
Standard Oil Company of N. J. on Flit  
Odorono Company  
Thomas J. Webb Company  
Chapell Ice Cream Co.  
Jersey Ice Cream Co.  
Iodent Chemical Company  
Forhan Company  
Mennen Company  
Boal's Rolls Corp.  
McCoy's Laboratories, Inc.  
Larvex Corp.  
Coty, Inc.

Our service is to assist advertisers in this connection. We specialize in attractively decorating the neighborhood store windows in Chicago and suburbs.

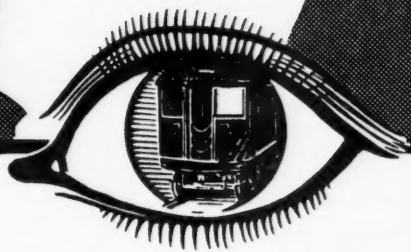
Our service charge is nominal and with it you have advertising insurance! Window display material will not increase your sales and insure the effectiveness of your other advertising unless it reaches the window. You insure your advertising with our window display service.

*Correspondence invited*

## NEIGHBORHOOD STORES DISPLAY SERVICE, Inc.

509 South Franklin Street

CHICAGO



## The Art Of Forgetting Is Highly Developed

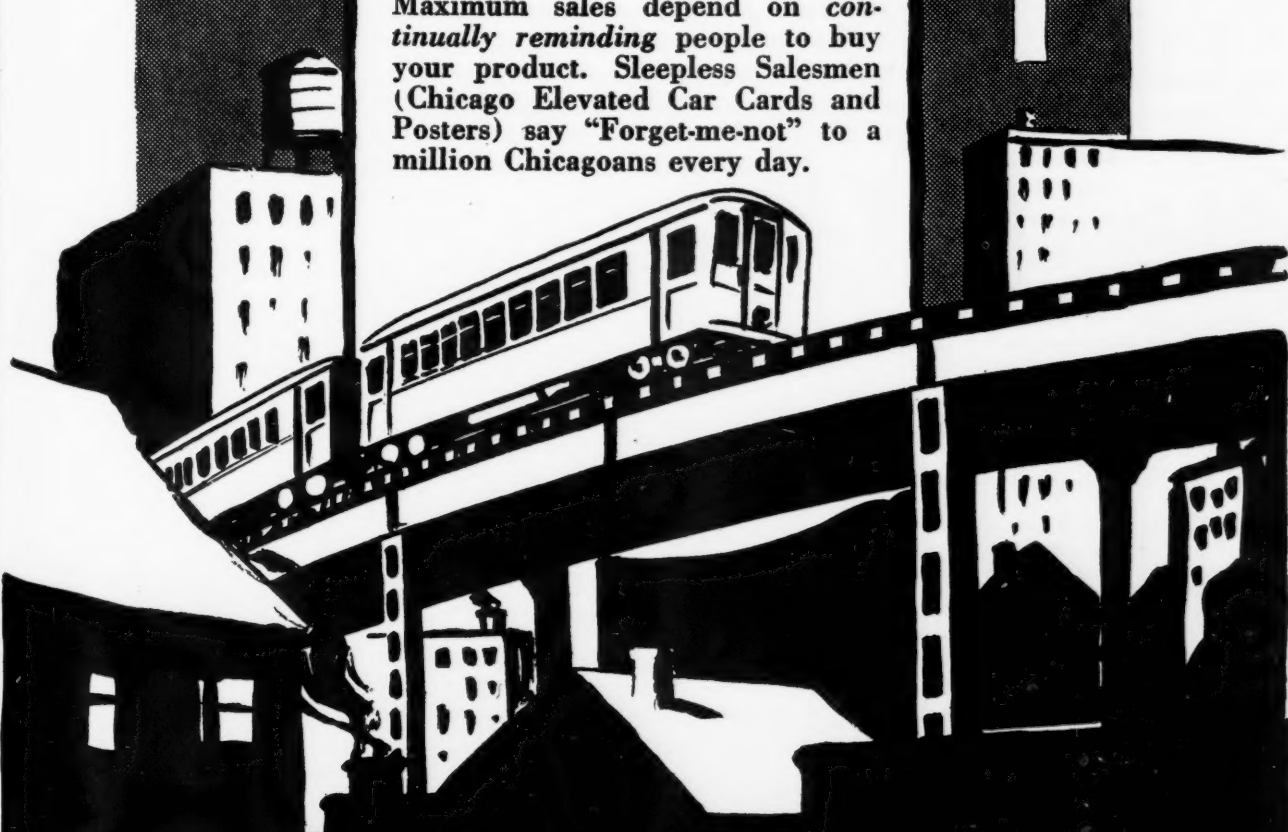
We depend on an alarm clock to remind us to get up.

- on a string tied around our finger to buy that box of candy.
- on a calendar-pad memo to remind us of our appointments.
- and on the gasoline gauge on our car to remind us when to buy gas.

The school bell rings daily and the church bell rings Sunday—to combat forgetfulness.

Forgetting is about the easiest thing we do.

Maximum sales depend on *continually reminding* people to buy your product. Sleepless Salesmen (Chicago Elevated Car Cards and Posters) say "Forget-me-not" to a million Chicagoans every day.



# Chicago Elevated Advertising Co.

509 So. Franklin Street  
Chicago, Ill.

## "How to Sell Quality"

**D**ESCRIBES actual plans and methods used by salesmen who have been successful in combating price competition by quality arguments. Tells how these salesmen make the buyer want quality; get the stipulated price without haggling; shut out the price cutter and keep the old customer sold on quality.

### Typical Chapters

#### How Quality Helps a Salesman

Shows salesmen the advantages in selling quality merchandise.

#### Why Your Customers Buy Quality

Gives illustrations to prove that wise buyers prefer quality to price when properly sold.

#### Making the Buyer Want Quality

Tells how good salesmen create desire for quality products.

#### Creating a Quality Atmosphere

Illustrates the value of comparisons to force price into the background.

#### Getting the Full Price

Explains how the price dwindles when quality is sufficiently understood.

#### Disarming the Price Cutter

How to meet price objections with quality arguments and eliminate competition.

#### How to Close a Quality Sale

Closing arguments that make prospects forget price and buy your products.

#### Keeping the Old Customer Sold on Quality

Making customers see the profit in repeat orders for quality goods; the loss of patronage that comes with price-cutting, etc.

Send for a copy of this popular Dartnell manual. You will find in it many ideas for your own letters and bulletins to salesmen. More than 350 concerns have distributed copies to their salesmen.

*In board bindings: Single copy, \$1.10; dozen, \$10.50; hundred, \$75.00. In DeLuxe leatherette: Single copy, \$1.60; dozen, \$15.50.*

### The Dartnell Corporation

4660 Ravenswood Ave. 19 W. 44th St.  
CHICAGO NEW YORK

## New Package Wins Place in the Sun for a Neglected Product

(Continued from page 683)

of the officials of the Emmerich company shows what poor methods have always hampered the pillow business. She went to one of the most famous stores in the world—a store famous for high quality of its merchandise. She asked for a pair of pillows. The clerk brought out a pair and priced them to her at \$6. "Are these good pillows?" she asked. She was assured they were the best. Examination proved them to be pillows of ordinary quality, probably turned out by a sweatshop and sold on a price basis. Proper merchandising methods in use in the department store would have required this clerk to show a pair of pillows retailing at from twelve to fifteen dollars.

Consideration of these facts led to the adoption of individual cartons for each pillow. It was a revolutionary step. Instead of compressing the pillows and shipping by freight, this method required express shipments. Instead of an unattractive piece of merchandise, the pillows were put up in a handsome package which had not only display value, but which lifted pillows into the class of gift items. The cartons were lithographed in colors, with a pleasing picture. This one step brought the merchandise into a new classification in the eyes of aggressive dealers.

### A New Distinction

The package completed, the company began advertising in a list of household publications. The advertising is planned to teach the public the difference between a cheap pillow and a quality pillow—it is designed to enlighten the public with facts which will enable them to buy pillows intelligently, as they buy clothing, or furniture. In the past, the woman who would critically inspect any other piece of merchandise, buying it strictly on its merits, would accept the first pair of pillows offered her.

The advertising is backed up by direct mail literature designed to interest the merchant in selling pillows, in educating him to buy quality products, and to display pillows instead of hiding them away on shelves or in basements. Window and store display material is furnished, and for the first time dealers are displaying pillows and pillow advertising in their stores.

Instead of increasing the size of individual orders, this new plan encourages dealers to order more frequently, but in smaller quantities.

### Advertising to Support Plan

Asked about results which have accrued so far, an official of the company said, "It is too early to say what results will be obtained. We are well satisfied with the progress so far. We feel that our advertising and packaging plans will revolutionize the pillow business. But we fully realize that revolutionary ideas must grow slowly—that we cannot hope to have every dealer eagerly accept this new method of merchandising with open arms. It is true that some of our salesmen report much more interest in our line on the part of buyers. They say that buyers are falling in line with our promotion ideas, and working with us. But other dealers are still apathetic and apparently not interested.

"Some dealers have written us enthusiastic letters, asking us why no one thought of the idea of packaging pillows many years ago. Others have told us that they are now selling our packaged pillows for gifts—that the advertising and packages have lifted the merchandise into a new class—that of a luxury or a specialty with a new appeal.

"We expect to continue advertising. We hope it will lift the entire industry to a better basis, and help eliminate some of the price problems which have always harassed us because of the public's lack of appreciation of quality."



The stricter the investigation regarding the changed evening newspaper situation in Chicago, the more readily advertisers will appreciate the importance of placing the Evening American **FIRST** on any schedule involving the use of Chicago daily newspapers.

## CHICAGO AMERICAN

*A good newspaper*

*Daily average net-paid circulation for March, 1926*

**542,595**

*which exceeded that of the second evening paper by*

**137,062**

*and at a 50% higher price*



# EDITORIAL COMMENT



## The Snare of Competitive Prices

We were impressed by a statement made on the floor of the United States Senate that the Government's method of buying airplanes on a competitive bid basis has been a costly experience. One of the evil effects has been placing the emphasis on cheap manufacturing methods rather than developing better planes. Ultimately, of course, the industry will suffer because foreign planes will be so much better that nobody will want an American plane. The United States Government is not the only one chasing the rainbow of competitive prices. There are many purchasing departments who point with pride to the money they save through getting competitive bids. But at the end of the year the books show it to be a saving that was never banked. There is a lot more to purchasing than seeing how cheap you can buy. The really big-gauged purchasing agent uses his office to further the broad interests of the business; not merely to squeeze a few pennies out of some over-anxious seller. He can be, and often is, the sales manager's most important ally. He can establish and intrench contacts which over a period of years will be of inestimable value to the business in maintaining a uniformity of quality in its product. Last but not least, he can, through fair dealing and sound judgment, build up avenues of supply which in times like 1920 will place his company in an enviable position. But he can't do these things if he is just a peanut purchasing agent. He has to recognize quality.

## The Shoe Business Isn't Different After All

We learn, on good authority, that Selz, Schwab & Company, Chicago shoe manufacturers, have already increased their business 60 per cent over last year. There is nothing exciting about that fact in itself, but we also heard that they have been able to show this increase because they stopped selling shoes the first of the year and began selling ideas about shoes. When they found a salesman who insisted his territory was different, and couldn't get the vision of selling an idea instead of just manufactured leather, he was asked to step aside for someone who could. As a result the whole weight of the Selz sales policy bears down on reselling rather than selling. The new Selz policy recognizes the fact that merchants are interested in shoes only so far as their resale qualities are

concerned—so Selz has done the obvious thing and fitted its sales program to the merchant's wants. True, there is nothing new about the Selz plan. It has been used for a good many years—in fact, it does not vary so much from a plan used fifteen years ago by the South Bend Watch Company. But the point is that Selz-Schwab have been advertising for many years. Like most shoe companies they have let their salesmen do about as they pleased. Now they have put advertising and selling in double harness with the inevitable result.

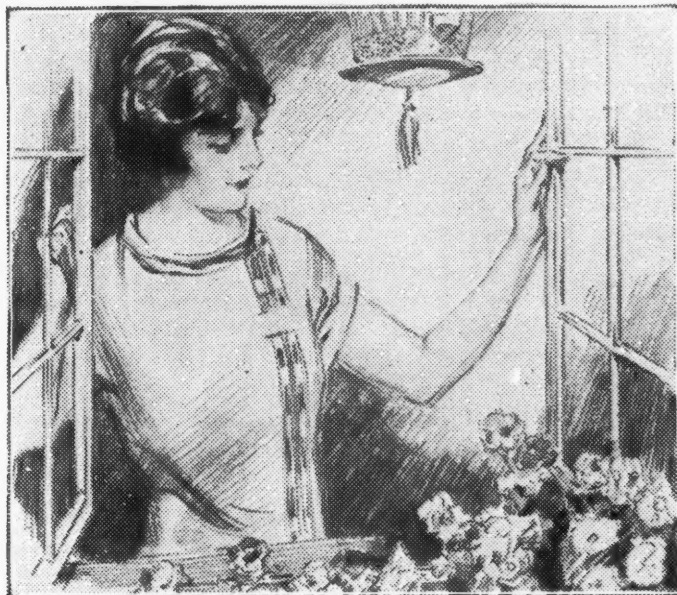
## Being Over-Impressed With One's Bigness

A copy of the Daily Register "edited and printed in the World's Largest Hotel" raises a doubt in our minds if the hullabaloo each succeeding world's biggest hotel or steamship makes over its bigness is really good advertising. Personally I can think of no better reason for not going to such a hotel. As for steamships, anyone who has crossed on one of the great liners will invariably choose a smaller and more sociable ship for the next trip. The same is true of the business concern who solicits business because of its bigness.

## Help to Call a Halt on Stories That Malign Salesmen

Humorous stories about fountain pens almost ruined the fountain pen business a few years back, just before the deluge of Ford jokes. There are still people who believe you have to get into a bath-tub to fill the average fountain pen. But the fountain pen manufacturers showed the editors and joke-smiths the unfairness of these stories and they went out of fashion. Today Scotch stories seem to be giving way for "off-color" stories about traveling men. There may be some salesmen who deserve the tag being fastened to the whole profession as a result of these stories. But no salesman today can remain successful unless he takes care of himself physically, mentally and morally. The old day of the hail-fellow-well-met, who had a sweetheart in every town, is past. Salesmanship is a real business. It is a business that is going to call for the best brains of the next generation, and the generations to come. If the profession is going to be dragged down into the gutter by slanderous stories which come from the press, the screen and the stage, every mother in the country will rebel at the thought of her son being a salesman.

[ N. B. This advertisement is one of a series appearing as a full page in The Enquirer. Each advertisement personalizes a Cincinnati suburb by describing the type of woman characteristic of that suburb; in each advertisement, too, The Enquirer's coverage of the district is shown. ]



## Mrs. Oakley ... "Salt of the Earth"

ON a quiet, tree-bordered street sits a homey white cottage. Before it is a stretch of lawn; behind it, a plot of garden. The lawn is kept trim and velvety by Mr. Oakley; the garden is his province, too. But the garden and the lawn and the house between were all planned by Mrs. Oakley—they are essentials in her scheme of life.

For Mrs. Oakley is "salt of the earth"—a "home mother". And she keeps her house strictly modern in every way. Living room, dining room, kitchen—each looks like a picture from "House and Garden".

Outside her home, Mrs. Oakley shows this same modern, progressive spirit. Her aid and opinion are valued by her church; she has an important part in every civic drive.

She is a woman who knows what she wants and gets what she wants.

It is not surprising, then, that she prefers The Enquirer. It brings her the news and shopping information she desires, and at that morning hour when she has time to read it. This "Enquirer-preference" is strikingly shown by the fact that 801 Enquirers are delivered daily to the 1,073 residence buildings in Mrs. Oakley's community.

To you, Mr. Advertiser, these facts mean this: Every day Mrs. Oakley's shopping bills run into thousands of dollars. Every day The Enquirer reaches her at the very hour when she is deciding how and where she will spend these thousands. Help her decide in *your* favor—by advertising in The Enquirer!

I. A. KLEIN  
New York Chicago

R. J. BIDWELL CO.  
San Francisco Los Angeles

THE CINCINNATI  
"Goes to the home,"



ENQUIRER  
"stays in the home"





## Loose Leaf COVERS of Distinctive Design

**C**ATALOGS—whether for Dealers, Jobbers, Consumers or salesmen, in order to create that necessary “first impression” must be *distinctive* and *stand out*. In Loose Leaf Form—with Super Embossed Covers—you have a combination of lasting value and exceptional beauty. With the *Super Embossed* process, original, unique designs can be obtained with reproductions of trade marks and packages in *original* colors.

### Send for This Illustrated Book

For more than twenty-five years we have been manufacturing Loose Leaf Binding devices exclusively. We have styles for every purpose—Catalogs, Price Lists, Sales Manuals, Bulletins, Sales-books, Advertising Campaigns, etc. Our assortment is extensive—more than twenty-five types and styles to choose from.

*Our new booklet gives full information and helpful suggestions for the preparation of Loose Leaf editions. A copy gladly sent on request.*

**THE C. E. SHEPPARD CO.**  
260 Van Alst Avenue  
LONG ISLAND CITY, N. Y.

**cesco**  
BINDERS

# Half a Million in Sales From One Display Stand Idea

(Continued from page 660)

every customer's need, whether it were for a socket wrench, a handle, or a “Set for any Car.” A reproduction of this cabinet appears on page 660. Similar cabinets or display boards were designed for other items.

Not only did this insure the dealer's having a complete, well-assorted stock, but it gave him an attractive display for his store. With every cabinet a wrench manual was furnished called “A Set for Every Car.” The first pages of

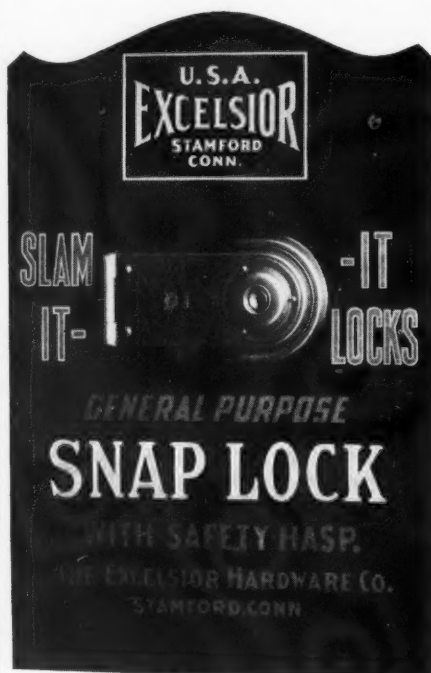
on the tools for each display were included for dealer distribution.

The display cabinet plan has proved effective, the company says, because it carries a merchandising plan, and because jobbers' salesmen can see to it that the stock in the displays is kept complete. It is possible to fill in the sold out numbers at a glance. And they add that their distribution is the thickest in the sections where the cabinets and boards have been most thickly sold.

One interesting feature of the Blackhawk plan is that the jobber shares part of the expense of the cabinets, but the dealer receives the cabinet without cost if he buys the complete assortment. Of course this means the dealer must make a larger investment in automobile tools than he had under the old plan of selling him any combination of items he wanted.

Perhaps one of the most complete merchandising plans built around a display device is that worked out by the French Battery & Carbon Company for the sale of flashlights, flashlight batteries and flashlight lamps. The illustration on page 659 shows the interior of the cabinet. It contains a complete assortment of flashlights, batteries, and lamps. A simple device built into the cabinet enables the dealer to test the battery or the lamp immediately in the presence of the customer. The arrangement for taking out stock for sale automatically insures perfect rotation of stock—an important factor in the sale of batteries, since dealers often sell only the fresh stock on the top of the pile and allow the older stock to “go dead.”

Constant advertising and persistent direct mail work help to sell the “flashlight department” idea. While the cabinet plan has been used by this company for five or six years, the particular arrangement described here is the latest development of it, a patented arrangement which has an



this manual were in the form of sales ideas for the dealer. Popular cars were listed alphabetically, with data on the sizes of every nut and bolt, wrench or socket required, and the number of the Blackhawk unit to use. It also suggested a small set that would handle every adjustment for each particular make of car. Thus the dealer had at his finger tips every possible bit of information needed to give every customer prompt and satisfactory service.

The Blackhawk line is a nationally advertised one, and this display cabinet idea was closely linked up both with national copy and with direct mail. Special leaflets

illuminated sign at the top. More than 50,000 of these cabinets are in use by dealers.

Dealers are so enthusiastic about the plan that they take the time and trouble to write the company telling them of their approval of it. "We have handled Ray-O-Lites for ten years exclusively," one dealer says, "but since we installed the display cabinet our sales have increased more than 100 per cent."

Another dealer writes, "By giving our cabinet a very prominent place in our store and merchandising Ray-O-Lites through your various sales helps, our flashlight business has steadily grown and we now honestly believe that we do practically the largest retail flashlight business in this city. We attribute our success on this more to the cabinet itself than to anything else."

This again illustrates that the ideal display is one which has a carefully worked out merchandising and advertising plan to help put it across.

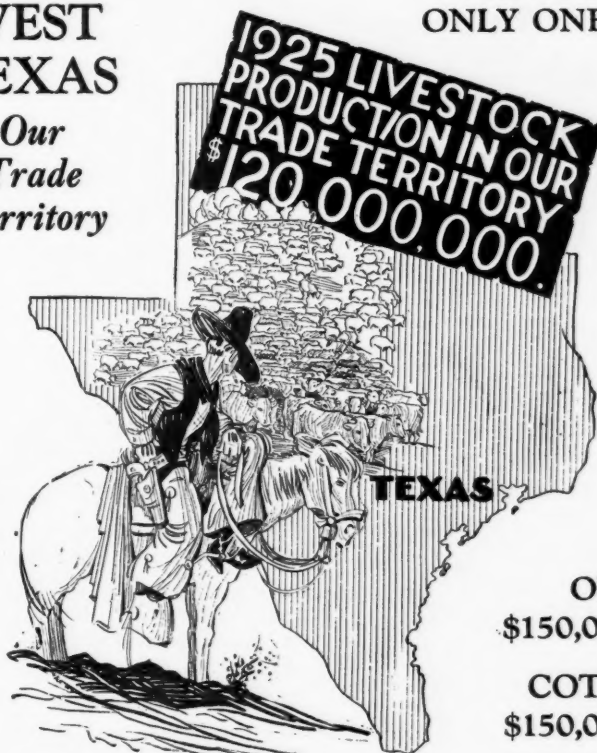
One type of less elaborate display which seems to be finding a ready favor with dealers is the smaller lithographed counter stand which will display a sample of the product itself. The illustration at the top of page 659 shows a Ford ignition system displayed in this fashion. A snap lock is attached to the display shown on page 704. A key is attached to this display, and even though practically everyone is familiar with locks of this character, the psychology in the idea is that the customer who sees this display on the counter will almost invariably insert the key and try opening and closing the lock. This shows how simple an idea can be put to work to make more sales.

A complaint charging the Iowa-Nebraska - Minnesota Wholesale Grocers' Association, of Council Bluffs, Iowa, with practicing unfair methods of competition has been dismissed by the Federal Trade Commission. Members of this association were charged with obstructing and preventing the Procter and Gamble Distributing Company from successfully carrying out its lawful competitive system in connection with the marketing of soap and soap products.

# LIVESTOCK 1925 \$120,000,000

in  
**WEST  
TEXAS**  
Our  
Trade  
Territory

—AND THAT'S  
ONLY ONE ITEM



OIL  
\$150,000,000

COTTON  
\$150,000,000

## A Billion Dollar Territory Covered

—with ONE Medium

### THE STAR-TELEGRAM & RECORD-TELEGRAM

*More circulation in this territory than  
any three other mediums combined*

DAILY  
Net Paid Over  
115,000

[[NO PREMIUMS]  
[[NO CONTESTS]]

SUNDAY  
Net Paid Over  
120,000

### FORT WORTH STAR-TELEGRAM

(EVENING)

### Fort Worth Record-Telegram

(MORNING)

### FORT WORTH STAR-TELEGRAM and Sunday Record

Charter Member Audit Bureau of Circulations

AMON G. CARTER  
President and Publisher

A. L. SHUMAN,  
Vice-Pres. and Adv. Director

## HOTEL SINTON

Cincinnati's Finest Hotel

Accommodations for  
1200 Guests

Metropolitan atmosphere. Rooms, cuisine and service of supreme excellence. In the center of the business life of the city. The rendezvous of the city's business and social leaders. Accommodations for twelve hundred guests. Every room with bath and servitor. Telegraphed reservation assures accommodation.

## HOTEL SINTON

Cincinnati's Finest Hotel  
JOHN L. HORGAN, Managing Director



## Hotel Knickerbocker

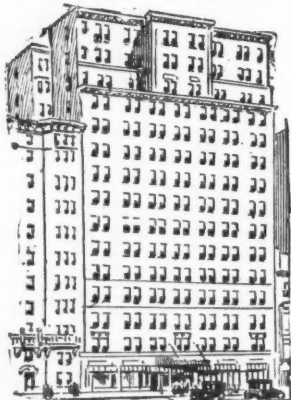
120-128 West 45th Street  
Just East of Broadway, Times Square

### New York's Newest Hotel

A location unsurpassed. A few seconds to all leading shops and theatres. Away from the noise and bustle and still convenient to everything. Between Grand Central and Pennsylvania Terminals.

Rates: \$3 to \$5 per Day

400 Rooms - 400 Baths



# Advertised Goods Lower Retail Selling Cost, Says Davies

THAT the manufacturer, wholesaler and retailer in the dry goods business have been so busy watching each other that they have allowed other industries to walk away with a disproportionate share of the total business of the country, was one of the situations discussed by H. W. Davies, manager of the distribution department of the Hunter Manufacturing and Commission Company of New York, in an address delivered recently before the Southern Wholesale Dry Goods Association.

### "Must Help Retailer"

Mr. Davies deplored the present tendency in the dry goods business to over-estimate the importance of price as compared with quality and service. "Progressive retailers realize," Mr. Davies said, "that the great majority of American consumers are more interested in quality and service than they are in price. It would seem that the wholesaler would reflect this tendency. Yet the clamor for lower, even lower prices, proceeds apace.

"What is the wholesaler doing to promote sound turnover? There is just one kind of turnover that is worth discussing; that is, turnover that increases volume and net profits. Wholesale service can help bring about that result.

"Manufacturers spend vast sums for advertising to be furnished to retailers. Much of it is good. But something less than 20 per cent of the total expenditure for this class of advertising is actually put to use by the retailer. Where it is used it produces real results—but to get it used, the manufacturer has to send out specialty men or organize some other means to place it in the retailer's store. The wholesaler is doing little to help the retailer—to point out why he should use this advertising.

"This may be due to a belief that advertised, trademarked lines strengthen the manufacturer's position at the expense of the wholesaler. But that, I submit, is

clearly unsound. Advertised lines of real worth are the retailer's great, unrealized opportunity today. We hear on all sides the retailer's complaint over mounting selling costs. Here is a ready-made means of reducing them. The nationally advertised lines are easier to sell. Few retailers dispute the fact. Yet all too frequently the trademarked merchandise becomes a price football in the hands of the wholesaler.

"Trademarked goods are the great stabilizers of business because they are the coin current of trade. Consider the fact that each year 2,500,000 newly-born Americans begin consuming everything from diaper cloth to baby ribbon; that 400,000 somewhat older Americans, graduating from high schools, are beginning to revalue their ideas of everything from the top of the head to the soles of the feet; that 1,250,000 brides become home purchasing agents, and that 1,250,000 husbands acquire entirely new buying tastes.

### Dealers Prefer Advertised Goods

"Each year 2,000,000 families move; 1,400,000 people die, and perhaps an equal number retire in favor of the younger generation. Here is a moving target—a target you can hit successfully in only one way—and that is with trademarked, advertised products.

"A recent survey among stores in towns of 25,000 population and under, proved that 85 per cent of the retail merchants preferred to handle advertised goods, because they require less sales effort, bring quicker turnover and greater net profit."

An increase of 4,692 cars for the week ending April 3 over the corresponding week in 1925 was revealed in reports on loading of revenue freight recently filed with the American Railway Association. The loading for the week was 928,092 cars, which was also an increase over the corresponding week in 1924 by 66,102.



## Is Sales Training Only a Fad?

(Continued from page 664)

gatherer of data from his territory.

We are now in a position to answer our original question: Is the training course for salesmen a passing fad?

It seems by this time clear that it is not. So long as large scale production makes necessary large sales forces; so long as the public has a surplus available for buying specialties over and above the bare necessities; so long as the branded staple holds its place in the market; so long as business is growing in complexity instead of growing simpler; so long as service is stressed as an aid to getting business; and so long as sales managers are desirous of analyzing their market with the help of their salesmen; just so long will training courses be valuable.

### A. B. P. Executives Hold Spring Meeting

Greater service to readers and advertisers will be the chief topic for discussion at the spring meeting of the executives of the Associated Business Papers, Inc., April 28, 29 and 30, at the Seaview Golf Club, Absecon, New Jersey.

Publishers and executives of leading business papers will attend and a three-day study of various problems of business paper publishing is slated. Progressive steps for making it easier for advertisers to deal with business papers, for increasing the value of business paper advertising, and methods which will make this advertising more productive will be discussed by leaders in the business paper field.

Malcolm Muir, of the McGraw-Hill Company; J. H. Bragdon, vice president of the "Textile World"; M. C. Robbins, publisher, "Advertising and Selling Fortnightly"; J. C. Aspley, publisher, "Sales Management"; Warren C. Platt, publisher, "National Petroleum News"; Frank Bruce, Bruce Publishing Company; Henry G. Lord, "Textile World," and others, will lead the discussion.

## ... genuine letters

*pull you more replies*

In our sales campaigns in foreign countries we used thousands of form letters which, no matter how carefully matched in, only brought us an average of about 2% of replies.

Then we tried Hooven typewritten letters and are now getting over 75% of replies. People who are not interested in our offers will often write in and thank us because they believe our letters to be personal ones.

We use Hoovens in Spanish, French and Portuguese as well as in English.

Sincerely,

POTTER & PLATKA

W J Platka  
AEW

*W. J. Platka*  
By-

Try *genuine letters*—a full campaign of them. Try them thoroughly; pick out a batch of good names now; then go to it with a good follow-up series.

Nobody can guarantee you replies like Mr. Platka got, as mentioned in letter above. Too many factors enter. But you see what he did. Isn't it worth trying to equal?

You'll never know until you give *genuine letters* a thorough chance. Why not decide now—and write us for more facts?

Gen. Sales Office, H. A. T. Corp., 1100 Plymouth Bldg., Chicago.  
Send booklet and more facts about letters, to—

Name.....  
Position.....  
Company.....  
Address.....

### Plans that will bring in the money

**N**EVER has credit been more liberal than at the present day—thousands of dollars are standing out on the books of many firms. Do the Accounts Receivable on your ledgers cause you any concern???

Collection Plans and Letters, Volume V, has just been compiled by Dartnell. The plans successfully used by The American Multigraph Sales Company, Cheney Brothers and others to keep accounts collected up, to prod the slow payers, to use as a last resort, are included in Volume V of the Dartnell Sales Library.

The laws and legal aspects of collections of the various states are shown. You will find plans that have induced payment on over due accounts and in addition have brought in new business. The collection letters included oftentimes are those found effective after years of experience. The price of Volume V is ten dollars. It will be sent to any rated company for examination. Full credit will be given should not the volume convince you of its worth.

THE DARTNELL CORPORATION 4660 Ravenswood Ave.  
CHICAGO



**Ask Thompson & Co.  
if MONROE Letterheads  
really make sales!**

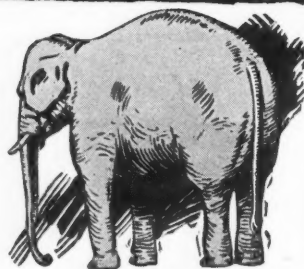
Everybody knows Thompson down in Tampa, Florida—the man who sells millions of cigars by mail.

Thompson knew the importance of his letterhead. He heard of MONROE Letterheads. To try us out, he had us produce enough letterheads for two test mailings.

Several days after the mailings went out, we received a frantic wire for half a million. What more need be said?

If you want YOUR letterheads to increase sales, write for our sample Portfolio. No obligation. On your letterhead, please.

**MONROE  
LETTERHEAD CORP.**  
1001 Green Street  
HUNTSVILLE, ALA.



### **The Tale of an Elephant**

Old "Jumbo" stirred up great excitement when he lumbered into town with the circus, but he sure passed out as a town topic when the "Star & Garter" show moved in. It's easy to forget—and months went by before flashy posters again announced "the elephants are coming."

Another tale—some advertisers make a big fuss once a year. Better tell your story continuously. And tell it to your profit by using the help of

# *The Acorn Press*

OMAHA, NEB.

Creators, Designers and Printers  
of Quality Direct Mail



## When One of My Men Begins to Falter

(Continued from page 658)

When one of my men shows a slump in sales, I immediately get on a train and go to see him, out in his town territory, where, in a short time, I am able to find out what the trouble is. Then I take steps to remedy whatever situation I find. If I had called the chap into the home office and given him a talk about his poor showing, I would only aggravate a bad situation, and I would not have found out the real cause of the trouble.

After years of contact with salesmen, I am convinced that their personal affairs in their home have a far greater bearing on their success than anything else. How often, for instance, the wife of one of my salesmen will say, "Oh, Mr. Gray, you're not going to send Robert out on any more three weeks' trips, are you? I nearly die of lonesomeness when he's gone!"

### **Constant Help from the House**

We are trying to give her husband some unusual chance, and she is at home pulling, tugging, in the opposite direction. I happen to know of a case—in another company, one of the largest of its kind in America—where this identical condition is now threatening the chances of one of their best men of being promoted to one of the highest official positions in that company.

Now that condition is quite clearly one which affects the house—shall they go on training this man for the big position, only to have him fall short through having his hands tied by home conditions? That will mean the expense of training another man, a disruption of a vital part of the company's executive staff.

And so I feel that the house can well afford to spend time and money in helping salesmen straighten out their personal difficulties and solve their personal problems. That is why I believe the sales manager must take a

careful, sympathetic interest in every man on the force as an individual rather than merely as a salesman.

If a salesman comes to know the house will stand behind him through any difficulty, no matter whether that difficulty has any direct bearing on business or not, he is bound to bend more energetic efforts toward sales. "The house has been generous and square with me," he feels, "and I want to show them I appreciate it."

There is no better insurance against high turnover and wavering sales curves than this mutual confidence. And, it's essentially a man-to-man relationship rather than a business contract between employer and employee.

### **Signs Favorable for Good Business**

"The industrial employment situation during April was distinctly encouraging," declared a recent report of the Department of Labor. "Optimism prevails in practically every industry. Building construction will show a further increase, and preparations are being made for considerable city and county improvement work, large state road programs and from greater activity in agricultural districts."

### **Cooperative Activities Date Back 62 Years**

In the analysis of age statistics of farmers' cooperative associations made by the Bureau of Agricultural Economics of the Department of Agriculture, it was found that two-thirds of the cooperatives now active in this country have been formed since the beginning of 1915. The oldest of the 9,967 associations from which data have been collected has been functioning 62 years; 40 associations have been active 40 years.

## "Cure-All" Barred From Mails

Claiming that certain medical preparations called "Formations" will cure "practically every disease and ailment known to humanity, including cancer, tuberculosis, Bright's disease, stomach, liver and kidney troubles, genito-urinary ailments and even blindness in some instances," resulted in the Proprietary Mixtures Syndicate, Inc., being barred from the use of the mails in a fraud order issued by Postmaster General New.

Upon investigation it was found that the claims respecting so-called diagnoses based upon Zodiac birth signs were utterly false and fraudulent. The concern began its operation in 1922 and has treated approximately 1,500 persons, who paid more than \$52,000 for treatments.

## Mail Order House Hit by Commission

Misrepresentation of the material in clothing was the charge made by the Federal Trade Commission against the Federal Mail Order Company of Chicago in requiring that Ben Kreeger, doing business as that concern, discontinue certain business practices. It was found that such terms as "wool finished serge," "canton crepe silk," "genuine silk," "astrakan fur," "ermine fur," and others misrepresented the goods and misled customers. The respondent, it is charged, also represented in advertisements, circulars and catalogs that the apparel was offered for sale at prices less than their cost to him.

Fred L. Kent, vice president of the Bankers' Trust Company of New York City, spoke on "The Import Element of Our Foreign Trade" at the Charleston National Foreign Trade Convention, April 28, 29 and 30. Members of the council from all parts of the country attended the organization's first meeting on the South Atlantic coast.

"Arlington Operated"

# Hotel Ansonia

BROADWAY, 73rd to 74th Sts., NEW YORK CITY

12 minutes from Penn. & Grand Central Stations  
5 minutes to Theatres & Shopping District



## 1260 Rooms

(ALL OUTSIDE)

New York's most complete hotel  
Everything for comfort and convenience of our guests

## Two Restaurants

Open from 6:30 A. M. until Midnight

MUSIC & DANCING  
TWO RADIO ORCHESTRAS  
LADIES' TURKISH BATH  
BEAUTY PARLOR & DRUG STORE  
BARBER SHOP  
STOCK BROKERS' OFFICE  
ALL IN THE ANSONIA HOTEL

### TRANSIENT RATES

300 Rooms and Bath . . . . . \$3.50 per day  
Large double Rooms, twin beds, Bath . . . 6.00 per day  
Parlor Bedroom and Bath (two persons) . . 7.00 per day

SPECIAL WEEKLY AND MONTHLY RATES

A RESTFUL HOTEL  
—away from all the noise and "dirt" of the "Roaring Forties." No coal smoke, our steam plant equipped for oil fuel. Coolest Hotel in New York in Summer.

# The Ansonia

In conjunction with the Hotels Colonial, Anderson, Richmond and Cosmopolitan

"Arlington Operated"



## House Organs

We are producers of some of the oldest and most successful house organs in the country. Edited and printed in lots of 250 to 25,000 at 5 to 15 cents per name per month. Write for a copy of THE WILLIAM FEATHER MAGAZINE.

We produce

The Bigelow Magazine

The William Feather Company  
611 Caxton Building Cleveland, Ohio

Thoroughly try out

## genuine letters—

they get big results for you where process letters fail. They get themselves read—not glanced at and then thrown away. Put your message in really good letters and do yourself justice. Let your selling ability have a decent chance to get results. (See page 707.)

Consider this—

Hoooven Chicago Company  
417 South Dearborn Street  
CHICAGO Phone: Harrison 9288

## BINDERS for Sales Management

Each binder will hold thirteen copies of the magazine. Each issue as received can be easily and securely fastened in the binder which will open flat like a book. Made of heavy durable material, bound in Super-Finish Art Leather. The cover is finished in two-tone dark brown Spanish grain with lettering and panels in antique bronze. You will want a binder for your desk or library.

Price, \$2.00 each, postpaid

Sales Management Magazine, 4660 Ravenswood Ave., Chicago, Ill.



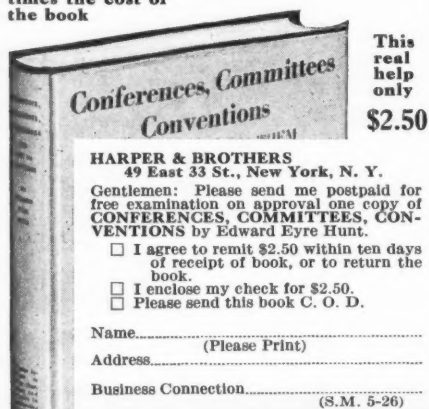
## Before you start that next Sales Conference or Convention

why not get the help of one of America's foremost experts in planning, arranging, conducting and reporting your meetings? For a small sum you can secure information that will aid you to

### Cut down the cost and waste

EDWARD EYRE HUNT, who has had years of experience in convention and conference organization and management, has put his vast knowledge into a practical book called **CONFERENCES, COMMITTEES, CONVENTIONS, and How to Run Them**. He has also included the views of over 150 prominent executives. He shows how the smallest committee meeting or the largest convention may be made to run like clockwork and accomplish real results in minimum time. This is one of the Harper Practical Business Books every sales manager should own.

One chapter worth many times the cost of the book



Consider this—

Thoroughly try out

## genuine letters—

they get big results for you where process letters fail. They get themselves read—not glanced at and then thrown away. Put your message in really good letters and do yourself justice. Let your selling ability have a decent chance to get results. (See page 707.)

**Hooven Chicago Company**  
417 South Dearborn Street  
CHICAGO Phone: Harrison 9288

## TOYCO Promotion BALLOONS

Toyco Promotion Balloons have a powerful child appeal. Ask us how to hitch this force to your sales.

Business Idea Dep't.

The TOYCRAFT RUBBER CO.  
ASHLAND, OHIO

## PROVE IT!

SHOW HIM THE LETTERS

IF your salesmen could show skeptical prospects the testimonial letters received from satisfied customers—it would remove doubt and get the orders. Don't leave testimonial letters and orders lying idle in your files—give them to your men and increase sales thru their use.

Write for samples and prices

AJAX PHOTO PRINT CO., 35 W. Adams St. Chicago

## Commission Seeks to Enforce Exact Truth in Advertising

AN advertisement containing a picture that illustrated the supposed thickness and resiliency of an Ostermoor mattress constituted the grounds upon which the Federal Trade Commission issued an order against the Ostermoor Company, New York mattress manufacturer, for misrepresenting its product. The majority of the commission held that the picture grossly exaggerated the expansion of the mattress and that consequently the advertising deceived mattress users into buying them in preference to the products of other concerns.

A dissenting view of the case was taken by Commissioner W. E. Humphrey, who declared that the order to cease such advertising was an attempt to compel exact and literal truth in advertising. He contended that one-half the magazine advertising in America would be destroyed if this order were enforced.

### The Dissenting Opinion

"If the Commission is going to attempt to enforce exact truthfulness in advertising, it seems to me that we should realize the magnitude of the undertaking," stated Commissioner Humphrey. "The respondent is forbidden by the thickness of a cotton fibre to misrepresent the thickness to which the layer of an opened up mattress will expand.

"If this rule of exactness is to be enforced in advertising by pictures, then what will be done with a large part of magazine advertisements? What will be done with the advertisements by picture exaggerating the thickness of the enticing cakes representing the wonderful power of self-rising flours? What of the shaving soaps that misrepresent the thickness of the lather on the beautiful face of the Sheik? What will become of our seed catalogs, if the pictures must correspond with the finished product? What of the advertisements on canned fruit, if the picture must truthfully depict the

contents? What of the "before and after" pictures of baldness cures? Must they, like Providence, number the hairs when the photographs are taken? What of the fat and lean photographs? Must there be no exaggeration of poundage? What of the countless thousands of patent medicine advertisements if the cured victims must be represented exactly as they are? What about the millions of dollars that are spent in advertising the virtues of creams, powders and other toilet articles? Are we going to compel a true photograph of the lovely creature who shows the magic results of these cosmetics to be used?

### "Begin On the Quacks"

"If this order is sustained and the policy therein announced enforced it will destroy one-half of all the magazine advertising in America. It does seem to me that if we are going to attempt to enforce such rule of exact truthfulness in advertising we should commence on the quacks, the fakes and crooks that fill the magazines of the country with their false and misleading statements about their methods, remedies and nostrums for beautifying the hopeful and credulous, for helping the afflicted and suffering and the unfortunate, rather than upon a concern engaged in legitimate business and which has for the last twenty-five years maintained the highest reputation for honesty and fair dealing.

"Another question—Can it be said that a concern is conducting a business on a basis of deception and misrepresentation where it has advertised for years that it will refund the money or give a new mattress to any dissatisfied purchaser, and where it has strictly lived up to this promise, without evasion or equivocation, and where its business methods have given it an enviable reputation for honesty and fair dealing throughout the country for more than a quarter of a century?"

# TIPS



Whether or not the farm home uses soap flakes and cold cream, wears rubber heels and habitually eats biscuits for breakfast is gradually being sifted to data form by the J. Walter Thompson Company in a series of studies being made in eleven representative counties in various parts of the United States. Digests of the results of the first two of the studies are contained in the "News Bulletin" for March, 1926, a monthly house organ of the company. Extremely interesting, too, are the findings. For instance—half the country homes still bake their own bread, but three-fourths don't use any hair tonic at all. If you'd like to follow the developments of these surveys, ask J. Walter Thompson, 244 Madison Avenue, New York City, to put you on their mailing list.

Two more good surveys from the urban market are here: one from New Orleans, called "New Orleans, The South's Greatest Market," and another from Buffalo. Write Mr. John F. Tims, business manager of the *New Orleans Times-Picayune*, for the first, and Mr. Joseph Melia at the *Buffalo News* for the other. The Buffalo survey includes the names and addresses of individuals of note in all the wholesale outlets in Buffalo, in addition to the names of merchants dealing in groceries, drugs, hardware, etc., in all towns surrounding Buffalo where twenty-five or more copies of the *News* are sold. That's service, we'll say.

The Tips editor gets out his red bandanna to flag the electrical appliance manufacturers and suggest that they drop a note to Tom Turner, asking for his new survey on electrical appliances in the Spokane market. Among other things the data show this to be a potentially big market for percolators, fans, heaters, washers, ironers, ranges, and a number of other electrical products. Send your request to the Review-Chronicle National Advertising Bureau.

"Silver Threads Amass the Gold" (the title tickled us) is a sales manual, but you'd never suspect it. Pipe threading equipment is no subject for an epic of any kind, but the Oster Manufacturing Company of Cleveland has packed its sales arguments into playlet form in such an interesting way that we'll wager one square meal it makes a hit with the jobbers' salesmen, for whom it is intended. "A Realistic Picture of Life as It Is Lived by a Supply House Salesman," says the subtitle. If you'd like to take a look at this unusual manual write the company or, in case they haven't extra copies, try Mr. Marsh K. Powers of the

Powers-House Company, Cleveland—he's the author of the piece.

Do you believe in "Signs?" (Not a bad title for a piece of promotion!) Dealer signs, we mean. Write to Ingram-Richardson Manufacturing Company, Beaver Falls, Pennsylvania, for one of their booklets called "Ing-Rich Signs," which shows how many manufacturers have worked out attractive outdoor signs which dealers seldom refuse to put up.

Lest the direct mail fans think we've forgotten them this time: Cy Norton of the Strathmore Paper Company, Mittineague, Massachusetts, will send a copy of "Strathmore Town Industries Folio" to sales executives who are interested in choosing paper, illustrations, and type which are most effective for a specific industry, such as jewelry, radio, trucks, food products, etc.

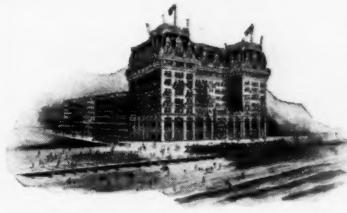
Statistics on population, autos, dealers, etc., maps, charts, and so on, are contained in "The 1926 Book In Oklahoma," which comes from the *Oklahoma Farmer-Stockman*. They're at Oklahoma City, and to add their market data book to your files, all you have to do is to say "please." Mr. Edgar T. Bell is the man to say it to.

The public interest in period and exclusive designs in furniture has been reduced to charts and percentages along with a great many other pertinent facts about the furniture market, in a survey compiled by R. O. Eastman, Inc., for the Periodical Publishing Company of Grand Rapids, Michigan. If your product belongs in the home furnishings field, write for a copy. Although the survey is priced at \$2.50, *Sales Management* subscribers will probably receive one without charge.

For sales executives who feel there are still many untapped markets for their products, "The Outer Circle" will be interesting reading, since it suggests a number of sound methods for finding more buyers. This booklet is published by the Corday & Gross Company of Cleveland—the address is 1771 East 24th Street. Ask Mr. Bernard B. Eisenberg for your copy.

We really ought to send Tom Turner a bill for the space he gets in this column—but here's the 1926 edition of "Market Facts About the Spokane Country," and we don't see how we can help mentioning it. The usual address—Review-Chronicle Advertising Bureau.

SALES MANAGEMENT—MAY 1, 1926



## The Breakers

Atlantic City, N. J.

Right on the Boardwalk  
Preferred—

in winter and all season — by those who know and want the best—either upon the American or European Plan—and sensible rates withal. Sea Water Baths—Golf Privileges — Orchestra — Dancing Garage on Premises

Joel Hillman  
President

Julian A. Hillman  
Vice-President

## Consider this— Thoroughly try out genuine letters—

they get big results for you where process letters fail. They get themselves read—not glanced at and then thrown away. Put your message in really good letters and do yourself justice. Let your selling ability have a decent chance to get results. (See page 707.)

**Hooven Chicago Company**  
417 South Dearborn Street  
CHICAGO Phone: Harrison 9288

## Spanish Printing



or Portuguese for South American trade. Send us your English copy—we translate and print. 30 years experience Foreign language printing.

**JOBSON PRINTING CO.**  
Incorporated  
647 W. Hill St. Louisville, Ky.  
"Our Printing Will Please You"

## Lithographed Letterheads

Produced in Black Ink on  
No. 1 20-LB. WHITE BOND

**\$1.20 Per Thousand**

A quality letterhead at a price that commands attention.

Big savings to you on your letterheads.

Send for lithographed samples of companies whom we are serving.

100 M or over \$1.20 per M 25 M lots \$1.45 per M  
50 M lots 1.25 per M 12½ M lots 1.70 per M  
[Minimum quantity 12½M]

Engravings made at actual labor cost

**PEERLESS LITHOGRAPHING CO., Inc.**  
1718 No. Robey Street, Chicago, Ill.



## Publishers Urge Lower Rates

Recommendations urging that Congress be petitioned to reduce postal rates on newspapers to those of 1920 were presented before the three-day convention of the American Newspaper Publishers' Association in New York April 21-23. The recommendations also urged the establishment of rates in cases where the postal service provides only transportation of bundles from one point to another without distribution.

Elisha Hanson, Washington representative of the association, stated that under the present arrangement a newspaper pays the Postoffice Department \$286 for a fifty-mile haul of 1,500 pounds, three-foot unit, out of which the department pays the railroad only \$15.75. The postal committee, of which J. D. Barnum, of The Syracuse "Post-Standard," is chairman, is seeking a rate of 30 cents for bundles of 100 pounds for a fifty-mile haul, 40 cents up to 150 miles and 55 cents up to 300 miles.

## TESTIMONIALS

Speaking of testimonials, here's one we appreciate  
 "I don't see how you do it. Our photostats are back almost before we realize the letters have been turned over to you. Real service."  
 Let us prove that for you. You want photostats when you want 'em. We get them to you.  
**Commerce Photo-Print Corporation**  
 80 Maiden Lane New York City

## Young Man Sales Experience:

Retail  
 Wholesale  
 Manufacturer  
 Advertiser  
 Sales Management

Position Desired  
 Merchandising  
 Sales Promotion  
**CAN I HELP YOU?**  
 Will that help me?

Reply Box 1050

**Sales Management**  
 4660 Ravenswood Ave., Chicago

## Personal Service and Supplies

Classified rates: 50c a line of seven words; minimum \$3.00. No display

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection, and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service, of recognized standing and reputation, through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements; your identity covered and present position protected. Established sixteen years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, New York.

### SALESMEN WANTED

**MARVELOUS INVENTION SEALS** 2,000 envelopes hour. Sells very low price. Tremendous demand. Big repeats. Exclusive territory. Write Rede, 8010 Nottingham Bldg., Boston, Mass.

### POSITIONS WANTED

**EXPERIENCED SALES MANAGER**, 34 years of age, now connected with financial organization of national character, directing 75 salesmen, 30 branch offices and 1,000 agents, is looking for a sales position that offers: 1. Stability, 2. Opportunity, 3. Reasonable income. Will bring to such organization, a wide knowledge of merchandising—ability to build and maintain a producing sales force—well balanced sense of finance and sales cost and the requisite energy to stay on top of the job all of the time. Present connection, seven years. Reasons for change lie in economic factors beyond individual control. My business and personal record will interest any organization needing a hustling sales manager. Personal interview can be arranged on short notice. Address Box 1047, Sales Management, 4660 Ravenswood Ave., Chicago.

### WAREHOUSE SERVICE

**MONTANA WHOLESALE AND JOBBING** concern owning fireproof warehouse with surplus storage, wants a few carloads any kind of goods for storage and distribution in Montana, Washington, Idaho and Alberta. Write Box 1796, Great Falls, Montana.

### LINEs WANTED

**JOBBING CONCERN OWNING WAREHOUSE** with side track wants additional lines of merit on commission or merchandising brokerage basis to be marketed in the Inland Empire. P. O. Box 2173, Spokane, Wash.

### SALES PROMOTION

**FOR BIG RESULTS FROM YOUR BROADSides**, folders, dealer helps, letters, etc., have them prepared by Direct Advertising Specialists who have successfully served many of the largest mercantile and industrial firms in America. We handle copy, layouts, printing, whole campaigns from idea to finished job. Our patented "pop up" folder most sensational mailing piece in years. Sample sent free. Write for our Direct Mail Rate Card—helps you plan your advertising and save money. No obligation. Superior Adv. Service, Inc., 230 East Erie, Chicago.

**\$50 TO \$50,000 DAILY SALES DEVELOPED** during 28 years for clients by our direct mail plans, copy, campaigns. One product, 1923, an idea, this year \$100,000 orders booked. Fifty year old concern desired 50 national representatives in 1925; we produced 40 in three months. 700 dealers in 10 months, at \$3 each, for another. Ten years Sales Promotion Manager, Larkin Co. Submit sales problems for free diagnosis. James C. Johnson, 119 Woodbridge Ave., Buffalo.

## Index to Advertisers

	PAGE		PAGE
Acorn Press .....	708	Knickerbocker Hotel .....	706
Altoona Mirror .....	686	Liberty Magazine .....	684-685
American Multigraph Sales Co. ....	695	Manz Corp. ....	692
Ansonia Hotel .....	709	McGraw-Hill Co. ....	648-649
Audit Bureau of Circulations .....	646	Meyercoed Co. ....	688
George Batten Co., Inc. ....	675	Milwaukee Journal .....	647
The Boston Globe .....	680-681	Monroe Letterhead Corp. ....	708
The Breakers .....	711	National Map Co. ....	Cover
Chicago Daily News .....	641	National Outdoor Adv. Bureau .....	682
Chicago Elevated Adv. Co. ....	699	Nebraska Daily Newspaper Assn. ....	650
Chicago Evening American .....	701	Neighborhood Stores Display Service, Inc. ....	698
Chicago Tribune .....	Cover	New Orleans Times-Picayune .....	676
Christian Science Monitor .....	686	New York News .....	670
Cincinnati Enquirer .....	703	Oklahoma Farmer-Stockman .....	644
Cleveland Press .....	643	Omaha World-Herald .....	642
Commerce Photo-Print Corp. ....	710	Peerless Lithograph Co. ....	711
Cosmopolitan .....	654	St. Louis Globe-Democrat .....	691
Dairymen's League News .....	696	C. E. Sheppard Co. ....	704
William Feather Co. ....	709	Sinton Hotel .....	706
Ft. Worth Star-Telegram .....	705	Studebaker Corp. ....	645
J. J. Gibbons, Ltd. ....	712	J. Walter Thompson Co. ....	669
Harper & Brothers .....	710	Toycraft Rubber Co. ....	710
Heinn Company .....	Cover	Troy Record .....	652
Hooven Chicago Co. ....	707-709-710-711	U. S. Printing & Lithograph Co. ....	672
Indianapolis News .....	679	Western Warehousing .....	697
Jobson Printing Co. ....	711		

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